

INSIDE CHINA: BIG BUSINESS, BIG RISKS

CANADA'S WEEKLY NEWSMAGAZINE

JUNE 13, 1994 \$3.50

Maclean's

THE SPOILER

.....
**LUCIEN
BOUCHARD**
**THE MAN
AND HIS
SEPARATION
STRATEGY**





Maclean's

CANADA'S WEEKLY NEWSMAGAZINE
JUNE 13, 1994 VOL 107 NO 24

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Illustrated by Mike Smith. Photos and design of column pages by Anthony J. O'Neil. Photo Series by Stephen Lee. Photo: 101. Illustration and graphics by: 101.



The spoiler

18 Canada's political temperature is rising fast, and at the centre of the debate over the future of Quebec is Blue Quebecer Leader Lucien Bouchard. In an interview with Maclean's, Bouchard lays out his vision for the future—and rejects suggestions that he is deliberately provoking controversy to increase support for sovereignty in Quebec.

China: risks and rewards

38 Recession-battered Canadian companies are stampeding to China, determined to cash in on a massive, new consumer market. The opportunities, however, are tempered with risk as the Chinese economy shows signs of overheating.



Hockey fever in Vancouver

44 As they came close enough to the Stanley Cup to taste the champagne, the 1.6 million people who inhabit Vancouver, Canada's Capital of Cool, gave every sign of losing their game completely. In bars, on billboards and even out at sea, West Coast hockey fans were united in their chant: "Go Canucks Go."

Sovereignty Or Separation

It is possible to imagine the set of their very mission between agents of the Quebecois Leader Lucien Bouchard and Jacques Parizeau, his Parti Quebecois counterpart. The two camps are united not about the fact that the United Nations has ruled Canada as the victor in the 1995 referendum, but the fact that, despite both a year of debilitating propaganda from Bouchard and Ottawa and Parizeau's own efforts—sponsored essentially in much of the Quebec media—they have failed to boost support for their cause. Those traditional leaders of the Parti Quebecois, who have been going on the attack in the English media, with the express mission of stirring up opposition to Quebec secessionists. The leader of Opposition leaders approves the plan and backs himself on a tour with the sons of creating a "birthright" to Quebec as the province's official motto. As the great Canadian politician says:

A French-style scenario? It is one that Beachfront denied in an interview with *Maclean's*, part of a cover package by Ottawa Editor Anthony Winters Smith, who was travelling with Prime Minister Jean Chretien in Europe last week, and Senior Writer Marc McDonald. But it is a fact that, after many political and opinion leaders in English Canada harshly attacked Beachfront, support for sovereignty tumbled up in the latest Quebec poll by the authoritative Centre de recherches sur l'opinion publique. In March, CROP reported that 43 per cent of respondents were in favour, 40 per cent opposed, with 16 per cent undecided. In a new sounding taken in May, support for sovereignty was at 48 per cent, while 40 per cent was



among to lecture English-Canadians on their duties and responsibilities, Beauchamp would do well to come clean with the people he cares about most. He should be prepared to join Parsons in telling Quebecers, before the election, what the referendum question will be. There should be no mistake about the consequences of his plan to break up a country that is number 1 in the eyes of the world.

And for Beuchand and Parizeau, there's the rub: They know that support for their cause drops dramatically when Quebecers are asked if they love separation or independence from Canada, not merely having a softer ring (accepting the Canadian dollar, federal defence forces and the Rockies). That, presumably, is why Beuchand last week flatly rejected using the term "separation" in the referendum question, although he urged the Seward romantics during his visit to Washington in March. Rather than ask Canadians if their duties and responsibilities lie in coming clean with the people he cares for, he prepared to join Parizeau in telling Quebecers the referendum question will be: They must see the consequences of his plan to break out from the eyes of the world.

Robert Louis



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LETTERS

Borderline dispute

Bloc Québécois Leader Lucien Bouchard's comment, "Now we know what they think of us. We know now the risks are falling down" ("Border clash," Canada, May 30), is truly surprising. What risks? If he had taken the time to look at the beginning of his journey of destruction, he would have seen nothing but despair for those who would live at the mercy of our great country. Being an anglophone with a French-Canadian background, I'd stand shoulder to shoulder with my Quebec brothers to defend their right to perpetuate their language and culture, but not at the expense of breaking up our great country. Quebec must remain part of Canada.

George Brown,
Wainhoe, Ont.

It is beyond me how Lucien Bouchard can claim that Quebec has no power in the Canadian federation. Has he not realized that he is the Leader of the official Opposition? Or that he was elected to that position by Quebecers alone? It is time for a little reality to be injected into this debate.

Kim Lussan,
North York, Ont.

An angry Parti Québécois Leader Jacques Parizeau declared that experts had already been consulted on the subject of border change and, according to these experts, in changing Quebec's borders would be a violation of international law. What he totally disregards is the fact that a sovereignty Quebec would change Canada's own borders.

Elizabeth Archibald,
Glasgow

Profit motive

In her column "China syndrome" (The Canadian May 30) Dorinda McMorley rightly queries forced-labor camps, torture, religious persecution and the vicious repression of academic opposition to the Chinese government. Isn't it a bit facile and self-serving to suggest that trade will automatically foster respect for human rights? There is much that Canada could do about China's human-rights bill, short of pulling out. But where there's no will, and no conscience, we simply deny that there's a way.

Michael Craig,
Ottawa-Riverside Rights Group,
Toronto



Bouchard: time for a little reality to be injected into the debate

First, Dorinda McMorley states that international trade is "the best way to encourage the emergence of democracy." I would have thought, judging by South Africa, that democracy is best encouraged by the withdrawal of international trade. Second, McMorley uses the argument of "proactive enforcement" as a benefit of trade, that surely the people of China are aware that previous trade influences can lead to a fast encounter with a tank. As McMorley points out, freedom of expression is a First World luxury.

Don Reifer,
Vancouver

stayed? Consumers need current information about this, not the latest trends or advertising gimmicks.

Melinda Sporn,
Calgary

Bird watching

My response to Lorne Rabenstein's article on rising poll courses ("Personal best," Sports May 18) to "different standards for different folks." My top 13 rating would assess how much environmental damage each course represents. In southern Alberta recently, there seems to be a rash of golf course construction and too often developers replace a large "slice" of undeveloped habitat with heavily managed green space. Studies and eagles can be found more easily with a pair of binoculars.

Larry Nisak,
Calgary, Alta.

Patronage saint

As a Canadian visual artist I feel that I know Joan Chalmers ("The golden touch," The Arts May 23) as I've thank you. Even though I have had no direct dealings with Chalmers, the indirect benefit of her generosity is felt throughout Canada's cultural community, and we all know it needs all the pressure, encouraging financial patronage it is able to create.

George Laughlin,
St. Catharines, Ont.

Tempting fortune

Your cover "Betting on casinos" (May 30) demonstrates that any distinction between cops and robbers is strictly conditional, at least in the halls of government. Starved for revenue, politicians have embraced shady activities, once reserved for the criminal element—gambling and lotteries. And yet it has been said that government has retained a vestige of respectability by banning dice from the Windsor, Ont., casinos in deference to the Criminal Code. Hypocrisy is more like it.

Jon Newton Sr.,
New Dundee, Ont.

Fat content

I disagree with dietitian Laurie Carry's statement that labeling relatively on food products may overload consumers with too much information ("Warning: the war of fats," Health, May 30). What are we,

Madison's restaurant industry, scared that letters may be used for drive and safety. Please stop using letters and develop alternative number. Write: Letters to the Editor, Madison's magazine, 137 Bay St., Toronto, Ont. M5H 1A7. Order 1-800-596-7726.

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COLUMN



Slashing the deficit— in just two hours

BY DIANE FRANCIS

Anxiety recession due to a global restructuring has us so far gripped the manufacturing world in the 1990s.

The result is that companies are underfunded in Canada and elsewhere have had to curtail their expenditures. But this restructuring has not spared the governments, and certainly not Canada, where they have delivered nothing but excuses as to why they cannot stop the piling up of deficits. While other countries are wrestling with debt, Canada's Liberals are making it worse by working time running around saying they're sure money. As long as they can keep the economy from crashing, they'll be happy to stay there, but it's a matter of time until they won't be able to borrow any more. So I decided to put the lie to excuses that spending cuts were complicated. I spent two hours with the 1993 public accounts and found \$42 billion worth of duplication and trials to cut, without losing a single job. The only reason I saw, Harvey said, was two billion

- The End-the-Duplication Act: more than 32.4 billion

Others should not duplicate what the provinces are already doing reasonably well. So we should eliminate completely the federal departments of Science (996 million), environment (61 billion), energy and resources (836 million), forestry (324 million) and labor (322 million). There's also the Canadian Human Rights Commission (18.7 million) and others.

The 1991-1992 shortfall among Green-car companies was \$6.8 billion. The Committee

perspective was on the contrary. The Canadian Broadcasting Corp. alone loses \$1 billion a year and should be sold. Inefficiency is why it loses so much money, not because it must serve some higher purpose or fulfill a special mandate. The government can control Canadian content without such costs by making it a condition of holding a license.

- The Red-the-Frills Are about \$622 million.

I found \$12 billion worth of duplication and frills to cut without touching social spending or hurting the economy

Citizens helped out money to promote our official languages, promote "dead" aboriginal languages and then promote foreign languages. This foolishness should be stood inverted, we spent \$619 million on multiculturalism, \$14.5 million on the commissioner of official languages as well as \$33.3 million on secretary of state "contributions" for official language help to independent schools, \$1 million in "contributions" in respect of programs in relation to the use of official languages in areas of territorial responsibility, \$23.27 million in contributions to institutions, associations and associations for the

complaints and dissemination of information and the development of teaching materials related to official languages in education and, lastly, \$15.9 million in promotion of official languages.

I spent 40 hours with these accounts I would have feared twice as many questions this time, but here are a few gems: a \$5.5-million grant to the Museum of Human Cultural Complex, which closed in early February. So much to something called the International Telecommunications Union is obscenely expensive. Greens, Switzerland, \$20 million to the museum, but usually none

ty, Museum of Civilization in Hull, Que.: \$100 million to the Social Sciences and Humanities Research Council; \$117 million to a new body called the International Development Research Centre; \$333 million to the Advisory Council on the Status of Women, even though women already have full rights; another \$84 million to the Status of Women Office of the Coordinator; and some \$9.3 million for International Canada, which retires the former investment (see next).

Another considerable \$8 million grant went to the Canadian Institute for International Peace and Security, which closed in 1993, even though we have both peace and security. \$1 million for services, awareness and assistance to the Canadian aboriginal community; \$1.187 million to the aboriginal community to support the development of a national network of archives, holdings and activities; and \$22 million to the National Arts Centre Corp. which should just be handed over to Toronto entertainment entrepreneur Garth Drabinsky, who could make it profitable in no time.

Stranger still was \$167 million allocated to "grants to further participation in Canadian society" and \$9.20 million in "grants to non-governmental organizations to promote a better understanding amongst Canadians." Another \$20.8 million was given to "friend ship centres, aboriginal associations, aboriginal women's groups, native community groups and native community societies," if Canadian taxpayers do not hand over enough money already to aboriginals.

Another \$43 million was donated in the Senate and \$231 million by the House of Commons on high salaries, excessive expenses and other ills. There is the million spent by External Affairs, which has no right to be in the House of Commons. Two more diplomats heading too many costly parties in too many countries. There are also the obvious anonymous such as the Can-coll grants handed out by the Canada Council, Canadian Film Development Corp and National Film Institute—all for art that is not in the public domain. And there is all in the name of peace from the countless unbelonging organizations such as the Western Economic Development fund (\$1968) led out by the Cape Breton Development Corp (\$55 million), Atlantic Canada Opportunities Agency (\$128 million) and another one called Enterprise Cape Breton Corp (\$13 million).

That's just my two-hour list, and many people may disagree with my suggested cuts. But spend some time yourself with these documents and you'll come up with billions in savings, too. The point of all this is that at just two hours I skinned the 1992-1993 \$80.5 billion deficit by 30 per cent, without touching the social safety net, while the Liberals run around for months spending millions studying what to do about reducing spending. All that's needed is a sharp pencil. Canada's deficits are not insurmountable problems, but symptoms of inept, cowardly leadership.



A CLASH OF VALUES

Marcie Wilentz, a 19-year-old Toronto high school student and Sunday Roman Catholic, went to *Newsday* news on May 29—and then went home and had an argument with her mother. The cause of the dispute was a state court decision from the pulpit by parish priest throughout the archdiocese of Toronto. It urged the area's 1.3 million Catholics—the largest English-speaking diocese in Canada—to oppose the Ontario government's proposed same-sex rights bill that would, among other things, allow homosexual couples to adopt children. Ambrose also urged Catholics to express their opposition by writing letters to their legislative representatives. While her mother agreed with the sentiments expressed in the archbishop's letter, Wilentz vehemently disagreed and refused to participate in the letter-writing campaign. "Gays and lesbians should have the same rights as marital couples,"

Ontario's NDP meets resistance as it tries to expand gay rights

she said. "Society can't tell them what to do." The same-sex spouse bill, which faced a crucial second reading vote in the provincial legislature last night, is one of the most controversial pieces of legislation introduced by Ontario's New Democratic Party government—and also one of the most sweeping charter of rights for homosexuals anywhere in Canada. It would amend 35 provincial laws and extend sex laws, pen-

sions, drug plan coverage and other employment benefits to homosexual couples by re-defining the word "spouse" to include a part of either sex. Attorney General Martin Brogden maintains that the changes are necessary to ensure that Ontario's laws comply with the Charter of Rights and Freedoms. While gay activists and human-rights advocates support the bill, the leaders of the opposition Liberal and Conservative parties, as well as a coalition of church groups, are adamantly opposed. As well, 30 NDP backbenchers voted against the bill on first reading and will show no inclination, at least, to switch sides on second reading. The legislation barely survived first reading on May 10 by a vote of 57 to 32.

While Ontario is moving to the forefront in extending homosexual rights, the federal government and several provinces are also grappling with the issue. Federal Justice Minister Allan Rock has said he plans to introduce amendments to the Canadian Human

Rights Act this fall that would explicitly prohibit discrimination on the grounds of sexual orientation. And the Canadian Human Rights Commission is currently investigating about 30 complaints from gay and lesbians, most of whom contend that they have been denied employment benefits due to their sexual orientation. But even though Ottawa is examining ways to extend employment benefits to same-sex couples, the Liberals are moving much more cautiously than Ontario's New Democrats. "I don't favor the approach that involves redefining family and spouse," Rock said. "I think it's totally provocative."

Elsewhere, Quebec and Alberta are trying to operate directives on same-sex benefits. The Quebec Human Rights Commission released a report last week containing 41 recommendations and calling for legislative changes "to allow members of a same-sex couple to benefit with full equality from pension, retirement and insurance plans or any other social benefit plan." In Alberta, an Edmonton judge ruled on April 12 that the province's human rights code violates the charter because it does not prohibit discrimination on grounds of sexual orientation. She ordered the commission to begin taking complaints of discrimination from gays and lesbians. The government appealed the decision. Labor Minister Sawchuk Day said that he opposed the inclusion of sexual orientation in the human rights code because it could lead to special benefits and adoption rights for gay couples. "This is Alberta," he

said. "They're not allowed to do that."

With passage of the bill by some certain, homosexual activists mounted a major lobby last campaign. The Toronto gay community organized the Campaign for Equal Treatment in only May after learning that Boyd planned to introduce the bill on May 18. By last week when debate on second reading began, the campaign had received 11,000 letters from gay and lesbian and forwarded them to NDP front office parties.

On the other side, Ambrose and several other Ontario bishops argued that the bill endorses equal religious beliefs between homosexuals, contrary to church doctrine, which stipulates that homosexuality should remain a crime. Ambrose also instructed priests at the 215 parishes within the archdiocese

not usually to change the definition of marriage," and the Rock. "Marriage is established by nature, which is not subject to legislation." However, the bishops fear a small but vocal opposition within the church. Several groups of gay, lesbian and bisexual Catholics, along with the pro-gay rights Coalition of Concerned Canadian Catholics, planned prayer vigils outside several Toronto churches to protest Ambrose's stance. Brad Colby, 38, a master's student at the Toronto School of Theology and an openly gay Catholic, and opponents will ask parishioners to sign counter petitions and display banners bearing a message from St. Paul: "Are we not all members of one body?"

Among some Catholics, Ambrose's touch into the battle over same-sex benefits touched off intense speculation about church politics. Some believe, director of communications for the archdiocese, insisted that the archbishop had decided on his own to initiate to enter the debate. But Colby said that an official of the diocese told him that the Vatican had pressured the archbishop to make a clear statement reaffirming church guidelines for life. Many liberal Catholics believe that conservative factions, such as right-to-life groups, may have asked the Vatican's Ottawa-based representative in Canada, Archbishop Carlo Caccia, or the Commission for the Doctrine of the Faith in Rome—which monitors church dogma—to approach Ambrose. Colby and Ambrose's letter to parish priests was hastily prepared and issued in time for a conference two days before it was to be read. As well, he said, the language was remarkably similar to a recent Vatican letter condemning homosexual rights legislation proposed by some European governments.



Ambrose: gay rights supporters signing letters to their MPs (opposite) church and state

of Toronto to have priests and parishes available at the entrances to churches on Sunday, June 5. Letters written by parishioners after church services that morning were to be collected and mailed in Evangelical and fundamentalist Christian congregations throughout Ontario also signed petitions against the bill.

Many of the opponents of same-sex benefits, particularly the Catholic bishops, insist they are defending Christian principles and deny they are encouraging prejudice against homosexuals. Bishop John Sheehan of the diocese of London and the Catholic Church opposes the currently prevalent attitudes that say people need not comply with any code of conduct. He asked that churches have a right to express their position in a democratic society, and an obligation to do so to teachers and defenders of Christian morality. "We think it's a very dangerous

Despite the controversy generated by his letter, Ambrose turned down all requests for interviews. And church officials said they had no idea how many Catholics would respond to his directives that the faithful meet to examine a religious issue at St. Basil's Roman Catholic Church in downtown Toronto last week, it was apparent that cause of the bill had support his position. "I oppose this bill and together and I am going to write my MP," said one woman in the rally, an 18-year-old. Many Ambrose, a 30-year-old area manager and grandfather from Sudbury, said "Two women or two men can live together as my friends live, but not as parents. I don't think a good family unit is threatened by this legislation." Those letters may learn large in the minds of the archbishop's advisers as they prepare to cast their votes this week.

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CANADA

Conflict at Concordia

A university struggles with a gunman's legacy

During 12 years at Montreal's Concordia University, Václav Fabrikant proved an ardent and sometimes threatening presence. He verbally abused support staff and faculty colleagues, evoked his tracking rifles and sword-dash threats against senior administrators. Yet through it all, Fabrikant kept getting promoted, rising steadily from a \$7,000-a-year research assistant in 1979 to a \$60,000-a-year associate professor by 1990. Then, on the sweltering afternoon of Aug. 24, 1992, Fabrikant entered Concordia's engineering building with three handguns and began shooting. When it ended, two professors lay dead and two others were fatally wounded. Fabrikant, who is now serving a life sentence for his crimes, claimed that he had been provoked by corruption in the engineering faculty that his bloody rampage ended a score of other perplexing questions, not the least of which was: Why hadn't he been dismissed before rumors reached such a tragic climax?

The first of two long-awaited reports on Fabrikant's case, released by Concordia last week, shed some light on that question. Based on a nine-month investigation by John Scott Cowan, a vice-rector at the University of Ottawa, the report said that senior university administrators repeatedly failed to seize opportunities to discipline or even to dismiss Fabrikant. In one key instance, Cowan recounted how Rose Shrivastava, Concordia's vice-rector for academic affairs, reluctantly approved Fabrikant's promotion to associate professor in 1980 despite her belief that he represented a serious threat. In part, she felt the university would face provocation and danger if she blocked his appointment. Similarly, Cowan describes how on June 24, 1984—just two months before the massacre—nicknamed Patrick Kennedy rejected a request by Shrivastava and another vice-rector to use his emergency powers to suspend Fabrikant. That request came after it was learned that Fabrikant was seeking his employer's reimbursement for a transport permit for a handgun. Cowan and Kennedy felt "exposed and unsupported" because there were no signed complaints against Fabrikant.

Cowan concluded that at crucial points Concordia officials simply lacked the courage to take the tough decisions required of them. "From time to time," he admitted, "the occupant of any senior post must risk apprehension. It comes with the job."

Cowan's report came at a time when Concordia is still struggling with the aftermath of Fabrikant's actions. On May 26, 1994, Concordia's rector since 1984, was abruptly removed from his post, a full year before his scheduled departure date. In an



Fabrikant after arrest: why wasn't he forced out earlier?

interview with Maclean's last week, Kennedy acknowledged that the university's desire for new leadership may be tied to the tragedy. "I was the captain of the ship when it sailed through those troubled waters," he said, "and no matter what your involvement may have been, directly or indirectly, the captain is always responsible."

Concordia can expect more negative publicity this week when it releases the findings of a separate investigation into Fabrikant's allegations that some of his colleagues committed academic fraud. Still, students and faculty alike are hoping that by acting on the two reports, Concordia can move the clock that has been jumping over fences for nearly two years. "People who enter here day in and day out are not very happy," says Laura Grimes, one of four student representatives on the board of governors. "We're not known for anything but controversy for very, very sad things."

ERIN REIDEMAN



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An anti-nuclear protest in Kingston, responding to public outrage.

Tackling youth crime

Ottawa's proposed reforms anger both sides

In Kingston, Ont., Arnold Sklarman dies after being stabbed repeatedly. The 16-year-old convicted of the crime sits in three years in Kingston, Ont. Sklarman is considered in her own home by his brother. The three teenagers charged with the slaying could be jailed for as little as five years if convicted. In Ottawa, Nicholas Battersby is walking down the street one Sunday when he is killed in a drive-by shooting. Three teenagers are charged in his murder. In the Okanagan town of Osoyoos, B.C., Rodney Bell scolds some kids for going through a store sign. The next night, he is brutally attacked and seriously injured. His head car in with the blunt end of a car.

Incidents like these in past weeks have raised a public cry that teenage crime is out of control and youthful murderers are too often getting off on acid free, or with what seems like just a top-on the vent for murder and other violent crimes. Last week, Justice Minister Allan Rock took to deliver some of the public anger by bringing in legislation that would toughen up the much-maligned Young Offenders Act—the 10-year-old federal legislation that governs young offenders aged 12 to 17. While the proposed changes will still be short of what the Roberts party and nationalist violence groups had demanded, Rock made no apologies for trying to reach a compromise solution to a vexing issue.

"The bill," he told the House of Commons, "reflects a balance between a strong message against violence and the rehabilitation of the offender."

The legislation proposes a maximum sentence of 10 years for first-degree murder and seven years for second-degree murder. The

current maximum for both is now five years. When teenagers are transferred to adult court and convicted of murder, they would have to wait longer for parole—10 years in the case of first-degree murder. Now, parole can be granted after serving between five and 10 years. The amendments would also make it more likely that children aged 16 and 17 who are charged with violent crimes will be tried in adult court.

The changes fall short of the house, central of the act demanded by the lawyers. In particular, the government rejected demands that the law be amended so that children under the age of 12 who commit serious crimes could be charged. "It really misses the mark," says Paul Penhale, a Vancouverian. Battersby's brother and former spokesman. On the other hand, Bob Quilley, an Ottawa lawyer, says the bill's youth crisis, accused Rock of giving in to pressure from right wingers in his caucus and making parliament more an arena than rehabilitation.

Rock announced the legislation will be followed by a bill-side review of the Young Offenders Act by the Justice committee by February, 1985. That committee is to include the controversial question of whether all those aged 16 and 17 accused of violent crimes such as murder, manslaughter and aggravated assault should be sent to adult court. In the meantime, Rock said the new bill satisfies a Liberal election promise to reform the act. That may be, but the critics' anger seems to be unabated by the fact that the justice minister acknowledges is an attempt to find a middle road.

WARREN KARGENTON/This Country

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500 miles from nowhere, it'll give you a cold drink or a warm burger...

NASA space flights speed this portable fridge that outperforms conventional fridges, replaces the air chest and alternates as a food warmer.

By Charles Foster

Reognize the ice cooler in this picture? Surprisingly enough, there isn't one. What you are looking at is a Koolatron, an invention that replaces the traditional ice cooler, and its many limitations, with a technology even more sophisticated than your home fridge. And for better still, it's new!

What's more, the Koolatron looks like a cooler, not just a refrigerator, it's also a food warmer.

spaced food. No more! Now for the price of a good cooler and one or two ounces of buying ice, you get five family mealtime meals, all the advantages of home cooking are available for you electronically and conveniently.

Think about your last trip. You just got away really on your long-awaited vacation.

The refrigerator lives under space.

The secret of the Koolatron Cooler/Miner is a miniature thermoelectric module that effectively replaces bulky piping coils, food motors and compressors used in conventional refrigeration units. In the real world, the Koolatron reduces the outside temperature by 40 degrees F. At the switch of a plug, it becomes a food warmer, going up to 125 degrees.



Power switches to station weapons. Thermoelectric technology could have been proven with more than 25 years of use as some of the most rugged space and laboratory applications. And Koolatron is the first manufacturer to make this technology available to families. Fishermen, hunters, campers and hikers—no last anyone can be more.

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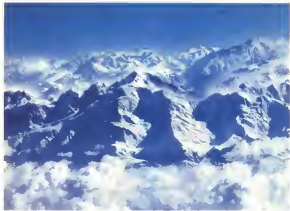
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Canada NOTES

A FATEFUL ORDER

A military court gave **lieut. Anthony Seward** a severe reprimand after finding him guilty of negligent performance of duty for leaving an order to abuse prisoners at a Canadian peacekeeping compound in Somalia. Seward, the most senior officer convicted so far in a series of courts-martial arising from the killing of a Somali teenager in March 1993, will carry the reprimand on his record but will face no further repercussions.

DEADLOCKED DISPUTE

A majority of Newfoundland's striking teachers rejected a settlement reached between their negotiators and the province. The Newfoundland government later needed legislating an end to the strike, which has kept more than 120,000 students out of class since May 18.

SENTENCING A STALKER

Manitoba Judge Jeffrey O'Leary sentenced **Ronald Edgell Bell**, 42, to life imprisonment for the brutal murder of **Tien-Lin Babbs**, a 25-year-old Vietnamese woman whom he had stalked for more than two years. Babbs' slaying in January, 1993, followed by another high-profile stalker killing just a week later in Manitoba, prompted the federal and provincial governments to implement anti-stalking measures, including adding the charge of criminal harassment to the Criminal Code.

MONITORING SEX ABUSERS

The federal government released a discussion paper that concludes that a national registry of people convicted of sexually abusing children could help to prevent schools and child-care centres from unwittingly hiring offenders. Justice Minister **Allan Rock** has promised to set up such a registry by the fall.

DENISE OF A LANDMARK

The 194-year-old St. George's Anglican Church in downtown Halifax was reduced to a shell by fire. St. George's, recently designated a national historic site, was believed to be the only wooden church of its type in North America.

A JILTED CHAMPION

Canadian biathlon champion **Mykita Beland**, who won two gold medals at the Winter Olympics in February, has lost her main corporate sponsor. Metropolitan Life Insurance Co. said it dropped Beland because she wanted too much money. Beland's agent said the deal fell apart because the company wanted exclusive sponsorship rights to the athlete.



AN EXPLOSIVE CONFLICT: After 13 days of open defiance, Mohawks near Oka, Que., suspended efforts to expel a native cemetery onto land that is owned by the town of Oka—but which the Indians claim as their own. The Mohawks agreed to stop clearing the land—the site of a 78-day armed standoff in 1990—as a goodwill gesture to speed along negotiations with a federal mediator.

A head full of trouble

Disrupters to the Royal Canadian Legion's national convention in Calgary provoked a wave of outrage after they overwhelmingly rejected a motion by their own executive that would have allowed legion members and special guests to wear religious head coverings in legion halls. The divisive debate has been sparked by several incidents, most notably a case last November in which Sikh veterans were asked to participate in Remembrance Day ceremonies at a legion hall in Surrey, B.C., but were then barred from entering because they would not remove their turbans.

Some legion members voted against the motion because they resented the national executives telling local branches what to do. Others maintained that the legion bans any head covering out of respect for those who died at battle for Canada. But representatives of several

minority groups and civil liberties organizations said the vote trampled on racism, particularly since some legion halls have allowed members to wear cowboy hats or baseball caps. **Iwan Chahal**, international president-elect of the World Sikh Organization, said the federal government should consider stripping the legion of its tax status as a charitable group. "Not after anybody's skin or blood," said Chahal, "but we feel all Canadians, no matter who they are, are part of society and should be treated the same."

Those sentiments were echoed by Defence Minister **Daniel Collopy**, who said that he would not enter any legion hall that bans religious headgear. Declared Collopy: "I don't think I should go to any particular forum or gathering as a minister where there is an overt act of discrimination against Canadians."

MARK WITH A MISSION

Lucien Bouchard is a potent mix of charm and temper

BY MARCI McDONALD

The door is slightly ajar—a crack barely visible in the ancient, barnished wood paneling that lines the office of the leader of the official Opposition on Parliament Hill. Lucien Bouchard signs his long tapered fingers into the floor and gives it a push. Suddenly, apparently, the wall swings open. A narrow vertical door cut out of the apparently seamless pine continues to reveal a toy corridor and, beyond, the cluttered antechamber of a senior aide. "Use it all the time—it's very convenient," the leader of the Bloc Québécois chuckles with the delight of a boy showing off a new toy. But it seems no accident that when a reporter comes to call in search of the man behind the in Democratic headlines and public moods, that secret door is the first step on an often tortuous list by Bouchard, a former speech writer with a keen eye for symbolism.

The first federal party leader in history with a mission to orchestrate Quebec's departure from Canada has no one to his mind. And now, thanks to his travels across the country in recent weeks, so does the entire nation. Outside his senior fourth-floor corner office, where Prime Minister William Louis Mackenzie King once plotted the country's course. The debate makes—the Quebec that Canadians thought of with condescension. Bouchard, though they had just belated them two years ago in an anti-national referendum. Now, a has suddenly burst into these again, igniting passions sparking apocalyptic predictions—and rising over more a dark cloud of uncertainty over the nation's future.

Only an hour earlier, during Question Period, Finance Minister Paul Martin had accused Bouchard, though not by name, of making statements that were "detracting jobs... taking head out of the muscle of Canadians." And after issuing *Aspirations* in St-John's, N.H., that an independent Quebec would defend their rights, the Bloc Québécois leader found himself back in the Commons, where Transport Minister Doug Young warned Bouchard to trust him and branded him a "Jew." Praising Bouchard's appearance before a meeting of the French Canadian Association of Ontario late last week in Toronto, Liberal MP Don Cousens declared him to be "playing Russian roulette with the country."

Even come to that, the political temperature is rising—rising so fast that Jean Lapierre, Bouchard's close friend and former deputy who is now a Montreal talk-show host, went on the air two weeks ago and advised his friend to chill out. "It's much too early for Lucien Bouchard to go across the country," he warns. "If Lucien keeps on going out there, the rest



■ Politics and Bouchard at a rally during the 1992 referendum, Quebec flags at parade in Montreal on St-Jean-Baptiste Day (left) temperature rising

firm, Bouchard a couple of great words and enigmatically a flash fire trigger, which he generally keeps contained in public. He darts the cocktail circuit, spending his evenings based in his beloved hotels in the armstrong hotel where he stays on Hill's Mac. Montreal, that relaxed over dinner with friends in Mac. tried, he can be a riveting raconteur with an eye for the telling detail and a laugh that bubbles up straight from the gut, even occasionally when the joke is at his own expense. "If there are any going well," Bouchard laughs, "I could be, I guess, a champion."

Shy in private, he is charismatic on a podium, one of Quebec's most spellbinding speakers and popular political figures—much to the chagrin of Prime Minister Jean Chrétien and Piers Gagnier. In 1992, Jean Chrétien, then both of whom he outposts on home ground. Last week, Chrétien took an characteristic potshot at him for his resounding political claims, which began as a hard student supporter of the New Democrats, detoured through the camps of the Quiet Revolution of Liberal Jean Lesage and later Pierre Trudeau, then leapt onto the banners of Lévesque and his PQ before joining up with his old old adversary for their decisive attempt at national reconciliation. But one reason for Bouchard's popularity in Quebec is that his shifting political allegiances—so curious in English-Canadian—reflect the same ideological drifts of the vast bloc of swing voters who will decide the province's fate. Says Jean François Lévesque, author of the newly published biography of Robert Bourassa, *Le Premier* (The Premier): "His itinerary is the exact course of the undecided voter in Quebec."

That itinerary began near the St-Louis River in the Saguenay, that remote landscape 270 km northeast of Quebec City, which is regarded as the heart of Quebec nationalism. Its deep woods, rising to dense forests and a vast lake, were transformed in the 19th century into a vast Quebec. At the turn of the century, Bouchard's grandfather had carved the family homestead out of the vast woods. But the harsh land was too unattractive for his son, Philippe. Soon after his own father, Lucien, arrived three days before Christmas, 1938, Philippe Bouchard moved the family 80 km east to working-class Joliette.

There, at a modest clapboard bungalow, the family expanded

living space by going to have a crackpot giving him one on the same—and then they'd make a merry out of him."

At the corner of the first floor is the tall, brooding figure who rose from modest beginnings. King's old days, looking benign in a chair with double-breasted suit and subdued art deco tie. His trademark mass of grey-flecked hair is neatly short. His features are stern in country. And behind him stand two flags calculated to catch a visitor's eye—the blue Quebec fleur-de-lis and the red Canadian Maple Leaf. Lucien Bouchard displays the first of his temper, as he once put it: "We have to respect ourselves. And it is also an act of courtesy. I don't want to provoke anyone." Bouchard sneers at his public stage as provocative sarcasm—cold, calculating, the cunning politician who would destroy Canada. "You know, I am a modest man," he says. "I am a rather conservative man and private life."

In person, he is the stuffiness of his public image. An ironic contrast, Bouchard a couple of great words and enigmatically a flash fire trigger, which he generally keeps contained in public. He darts the cocktail circuit, spending his evenings based in his beloved hotels in the armstrong hotel where he stays on Hill's Mac. Montreal, that relaxed over dinner with friends in Mac. tried, he can be a riveting raconteur with an eye for the telling detail and a laugh that bubbles up straight from the gut, even occasionally when the joke is at his own expense. "If there are any going well," Bouchard laughs, "I could be, I guess, a champion."

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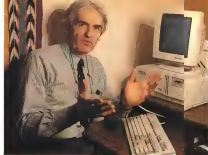
There, at a modest clapboard bungalow, the family expanded

to live, three more boys and a girl. The youngest, Gérard, now an award-winning Québec academic who has pioneered graphic studies on the province's less cosmopolitan, predominantly French-speaking population, remembers his oldest brother snuggling up to so defend their family house, accurately with his fists. As the eldest, Lucien spent the most time with these father, a kindly, emotionless truck driver who would take him in his arms, counting loudly. Paris hits "My brother worshipped my father," says Gérard. "It was probably the main factor that motivated him, from a very early age, to succeed at just about every task he set his mind to." Ask Bocharoff today who has been the greatest in literature on his career and he does not hesitate: "My father. There's not a day still I don't think about him."

Philippe Bocharoff, who never got past the fourth grade, took his son down the road in the yellow brick castle collect rain in the Gléde lakes, where they learned Latin, Greek and, of course, French. Bocharoff, as Lucien then chattering at the dinner table up and night and "a little just was creeping into the language." "It is, in fact, he says, "there's his link on the table. I don't understand anything of what you say, he said 'Speak well.' He was warning his little sister and his cousins. His hands covered with oil. And I was so impressed." Now, as Bocharoff connects his message in English, Canada, he insists that "I try to be polite—to speak like my father would like me to speak."

At 20, he left home for the first time, enrolling at Laval University in Québec City. He was lonely and discontented, but he kept to himself, but his classmate, Nicolas, Michel Côté, later a controversial Tory cabinet minister, Côté kept everyone in the class including André Duhaime, now the Liberal minister of foreign affairs, and the group's social star, another world-classer, a now married Lucien Maloney.

Bocharoff and Maloney did not become close until five years later, when both moved to Québec City to take for law firms. But years earlier, Maloney had turned to Bocharoff for help with his broken street-



French. According to one former Tory insider, "Their friendship was like a miracle, each had peers the other didn't. I think Lucien was what Maloney wished he could have been in terms of intellect and passion."

Bocharoff's voraciousness for knowledge was so secret to Maloney, Bocharoff says, he signed a Parti Québécois membership card in 1971 or 1972, prompted largely by shock at how the *Wall Street Journal* was used to crush the *Front de libération du Québec* during the 2000 October Crisis. The two men began meeting when they found themselves on opposite sides of the independence debate—in 1993 when Bocharoff campaigned against for a PQ candidate, and in 1996 during Québec's referendum on sovereignty association. Their personal ties were never broken after Bocharoff's

■ Brother Gérard Bocharoff, Lucien and Audrey Bocharoff with their sons, Simon and Alexander (right): a driving father who loves to read to his boys but worries that he does not have enough time for them.

Maloney's. What will you do if the Parti

Québécois can be as successful as Québecers? I thought—you know those

debates about people—then English people are cold, unfeeling as we say in French, plebeians. But it was stupid.

Bocharoff: Some people have said that they're being too provincial or too naive.

Bocharoff: I think that if we take the truth, if we try to buy our heads in the sand and wait until Québec has made the decision next year, then we'll not win at all.

Bocharoff: I think that they have been wrong. I think it's essential to democracy that we say to people who are very much interested: there will be an impact on them and they have to know.

Bocharoff: I see, I don't think it's too early? Bocharoff: No, it's too late probably. It should have been done 20 years ago.

Bocharoff: There is a theory that you put your head in the sand in order to be able to sleep peacefully.

Bocharoff: It's not my purpose. I don't like to be better than

people. I've seen people who are very good at what they do, but they are not good at what they are not good at. I've seen people who are very good at what they are not good at, but they are not good at what they are good at.

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ings at External Affairs, which also set up his first cross-Canada tour. At 16, he had never been west of Toronto and he had never seen a place that city could call his 40th birthday. Ironically, the cause he wants to break up the country still scarcely knows it at all. Now, when he arrived in Paris, could he speak English? At the embassy, he heard TV 13, the national voice of his second-in-command, for weekly English lessons. But nine years later, the man who speaks English, even speaks French. He speaks French, even speaks English.

In Paris, Bocharoff's 19-year-old son was a one-speecher over at Québec delegation. And his 16-year-old son with French teachers made him the darling of the capital's political-artistic set. He had already read all nine volumes of Marcel Proust's *À la recherche de*

Thérèse, but now, after a Paris he made pilgrimages to every one of Proust's numerous apartments and to his graves.

But Bocharoff also had an unexpected entry into the salon of Paris. Within months of arriving at the magnificent ambassadorial chateau on the Rue du Faubourg Saint-Hippolyte, his wife, Josée, suddenly fell sick—by a rupture that he will not talk about, but he says he takes full responsibility for. He was, incidentally, Québec TV personality Denise Filiol's second husband. He was, incidentally, a National conference and announced that the next he was to Paris that night, leaving her husband behind in Paris with the ambassador to France.

Her grief apparently found its way into an entertainment biopic, *Julie-Filippine*, which sensationally depicted to some Bocharoff.

But weeks later, the paper made up for that lapse by running a front-page photo of the couple together at a Paris concert, with a bold headline error pointing to him and his caption: "Séparé—break his love." Bocharoff says they conducted their relationship "correctly—the would-be at all public locations." But Bocharoff, a novelist as well as the former host of the widely watched TV newsmagazine *Le Point*, was one of Québec's most celebrated artists in France, regularly invited to all kinds of events.

According to friends, who did not take kindly to that exclusion and their affair ended abruptly and bitterly.

Sometime later in 1988 as the new owner of Maloney's battle-scarred government, Bocharoff was sworn in as secretary of state and inducted into the club of big game and political consultants even before the Conservatives had found him a seat. After he was sworn in as Luc St-Jean, the riding where he had been born, he chose for a time as one of Maloney's most faithful—and brightest—cabinet men, moving on to become minister of the environment. In cabinet, his obsession was the March 14th accord, which he threw his weight behind as Québec's last hope for reconciliation with the rest of Canada. When he learned that, behind his back, Maloney was cutting a secret deal with the same man he had been sworn in as, he was furious.

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'I think of myself as a smooth guy'

Senior Writer Mark McDermott spoke with Opposition Leader Lucien Bocharoff for two hours last week in his office on Parliament Hill. Excerpt.

McDermott: Do you think people in Canada understand who you are and what you're trying to do?

Bocharoff: Not all people. I know very well that the image I am projecting in English-speaking Canada is not necessarily a smooth figure—probably (it's of an emotional man, very intense, very passionate, ready to go to some length to achieve his goals, and maybe someone I don't think I'm like that. I like to think of myself as a smooth guy.

McDermott: What have your trips told you



achieved his prime ministerial dream, and said, "I'd like you to go to Paris." Bocharoff was stunned, and put the decision off for eight months. "Thinking speech is one thing, especially when I believe every last of them," he says. "That going to Paris as an ambassador for the federal government..." Paris was a battleground for separatists and federalists, you know. It was causing the debate. "When he finally accepted, one of his brothers here is going to live for a year."

The summer before he left, Bocharoff married himself to his

PHOTOGRAPH BY JEFFREY M. HARRIS

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Quebec City, when Bourassa nominated him to his Quebec City office, known as le bureau. Bourassa positively infuriated if Bocharf seemed to hold a congressional candidate as an upcoming federal election in Montreal. In fact, Bocharf had already tried with the idea, but he was afraid to test a secret poll that predicted that any candidate he backed could win with two-thirds of the vote. Days later, he says, a Bourassa aide delivered him a more sophisticated poll, confirming his own. "And then that was double."

But why on earth would Quebec's Liberal chief want to give birth to a federal

the embryo was expressed to stand fast when he argued that he was the only boulevard. After a two-year snow-white courtship—and Bocharf's divorce—the former secretary from a California aerospace defense plant became the wife of Canada's conservative minister. Nine months later, Audrey Best Bocharf gave birth to their first son, Alexandre, and two years ago to his brother, Simon. With little interest in politics, she has not been thrilled to find herself married to the man whose talk-show career earned a "brat." And she admits leaving their modest apartment in Montreal's Outremont district for Ottawa. "It is hard for her," he says. "But she's strong, very strong."

A doing father who loves to read "all

Scenes from a marriage

To understand the latest chapter of the Canadian political melodrama, it may help to picture two of the principal players as clichéd characters in a bad marriage. Lucien Bocharf is the nagging, backbiting finger wagger, while Jean Chrétien suffers the verbal onslaught in private, lip-biting silence. Bocharf complained on a previous to transcribe the House of Commons into a forum to debate Quebec sovereignty. Chrétien did the reverse, proclaiming "never to talk about the Constitution." That silence, says a Chrétien adviser, "is a constant reminder we also to keep as long as possible."

There are several couple-like moments to do so. The publicly acknowledged one is that Chrétien does not want to start talking about a referendum on sovereignty until—or unless—Premier Daniel Johnson leaves the Quebec election, widely expected to be held on Sept. 18. "We do not take for granted that the [Quebec] Liberals will lose," Chrétien said recently.

But if the Prime Minister does not pressure that, many of his advisers do. They are other reasons for Chrétien to avoid the Quebec issue, at least for now. One is that Chrétien is a good one but not a brilliant debater. He suffers when in direct competition to Bocharf, who is superior on both counts. A prolonged debate with Bocharf would hurt him in Quebec, where the Bloc Québécois leader is already far more popular. It might hurt him even more in the rest of Canada, where people are torn between wanting him to squish Bocharf or simply to ignore him.

Another problem is that Chrétien does not want to be pulled into statements that might hurt him later. One example is Bocharf's recent effort to force Chrétien to say he would stand by the results of a Quebec referendum, no matter what the result. But Chrétien will not do that—yet, at the very least, until the question is to be asked is known. And Liberals are more sensitive than they publicly admit to suggestions by Reform Leader Preston Manning that Chrétien, as a Quebecer, should not speak for Canada in negotiations with Quebec.

None of this means that Chrétien, who did do decades a political fight, feels silence either easy or golden. Occasionally, cracks in his armor, "we have to play him to hold his anger in check." Several times recently, those of them have failed, such as when Chrétien told the House of Commons that Bocharf was inviting anarchy about Canada would send the world after the Bloc leader's May visit to Paris. Chrétien, who spent much of last week attacking separatism concerning the 50th anniversary of D-Day, did not comment, while in Europe, on Bocharf's latest remarks. Outside the Commons, as Chrétien contended recently, he has no problem holding his tongue about Bocharf, other than their public clashes, the two men never speak to each other.

ANTHONY WILSON-SMITH is in London.



■ Bocharf and Bocharf competing in the 1992 federal election campaign a 30-year friendship broke over the March Lake second

against party? "Bourassa was afraid of Bocharf," says Lucien. "He knew Bocharf could beat him. It was better to get him out of Quebec and into the federal stage."

One focus of Bocharf's federalism campaign was an hour-long flight from Paris to London in March, 1987, when he couldn't help noticing the tarmac kiosk in black who took him off into the next week. Ever a reporter, he says, a scenario for her. "I thought she was British," he says. "She looked like the wife of a French earl or a rich businessman." When she dropped a magazine, he leaped to retrieve it and strike up a conversation. To his surprise, Audrey Best was the 39-year-old daughter of a French mother and an American naval officer, who had been born on the Riviera and grew up in Colorado.

He told her only that he was a diplomat. Three weeks later, she stole his car of

the Walt Disney Books to his son's birthday birthday parties an event, he says. Alexandre has no idea that his father is so controversial. "But my son is in becoming a person now," he says. "He's a student. He said to his mother this week, 'You know I love my daddy so much, but he doesn't have time to love me.'" Lucien Bocharf, the man, English-Canadian born so late, last years in his eyes. "It broke my heart, because," he says.

But until the referendum is over, Alexandre will have to content himself with the ongoing tale that his father has concocted for him about "a dragon who has a problem, because he tries to fight the people by blowing fire. But he has lost his fire. So we come to end of him." Alexandre Bocharf calls his father's story the Gentle Dragon.

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POSTY'S FALL

Embezzlement charges bring down a key Clinton ally

Dan Rostenkowski is a big man, as tall and tough as his broad-shouldered native city, Chicago. He became a big man in Washington by way of his home town's rough and ready machine politics. In the 1950s, he succeeded his father, down on his hands in a Democratic Party ward boss and absorbed the lesson that power is based on the pork barrel and purchased with patronage. From his Polish-American base in north Chicago, Rostenkowski won election to the Illinois Legislature at age 24, in the state senate two years later and then, at 30, to the U.S. House of Representatives, where he is now serving his 16th consecutive two-year term. For the last 13 years of that 25-year stretch, he wielded enormous power.

In 1983, his style tempered by the acquired arts of civility and compromise, Rostenkowski assumed one of Washington's most powerful positions: chairmanship of the House Ways and Means committee. The holder of that position directs the terms of key spending legislation, and bears primary responsibility for making it law. The chairman is elected by members and the speaker. In that office, Rostenkowski earned respect and trust on both sides of the House. But last week, a federal lawyer knocked the big man rudely off his perch of power with a 17-count felony indictment, including embezzlement from the public purse. That indictment, the lawyer said, is "a pattern of corrupt activity for more than 20 years."

With that, and despite Rostenkowski's insistence that he will prove his innocence in federal court, the congressman was forced by his party's rules to forfeit his chairmanship while the charges are being an impact



much wider than the negative implications for the 66-year-old veteran, including his now dubious prospects of winning a 19th term in the congressional election in Nov. 8. The one through the government's agenda and further discredit in the public and among American politicians.

Although it was widely known that Rostenkowski had been under investigation by a federal grand jury for two years, the federal judge details of the accusations—putting doubts on the public payroll and covering in postage stamps acquired with government funds—seemed petty matters, possibly motivated by careerist motives, to lay on a man responsible for steering passage of trillion dollar

federal budgets. But the harshness of the announcement's language and the total scale of the allegations, which the indictment statement on May 31 noted at more than \$300,000, revealed a serious wound in the American body politic. Apart from the stamp-stamp charges, and other alleged diversions of public and campaign funds.

Rostenkowski is accused of obstructing justice by "seducing a witness to withhold evidence from the grand jury."

Before these charges were laid, Congress was only beginning to lay down a 1992 scandal. That involved a pattern of personal overruns at a congressional bank, now closed on the records of more than half the 435-

member House, many of whom have since lost politics or were forced out in the 1992 election. "This is not a petty matter," declared Eric Holder, the justice department attorney who delivered the grand jury indictment against Rostenkowski. Said Holder, 43, a Democrat and a former superior court judge: "The cost of such misconduct must also be measured in terms of the corrosion of trust in our democratic system of government and in the trust our citizens have in their elected officials."

President Bill Clinton, himself beset by charges of past financial and sexual misconduct, as narrated by the Rostenkowski case. The two cases have been pitted as a test of the young government's agenda and

vocated Clinton-style government health insurance, but the Clinton administration, and most of Congress, miserably rely on the commercial insurance industry.

Clinton had counted on Rostenkowski's experience, pragmatism and negotiating skills to move the health-care legislation from a bog of dispute. That Clinton, shortly, along with backpedaling measures to fight crime and reform welfare, carry the administration's hopes of reuniting Democratic majorities in both houses of Congress in the November election.

Rostenkowski was Clinton's respect when he joined the President's first budget to a one-year victory last summer and then, in November, put down a rebellion against the North American Free Trade Agreement and

case bargained over a deal for a lesser charge, quality plus and a short problem. But Rostenkowski, declaring that "I did not owe and any crimes committed on the one hand indicate that I will not make any deals."

Only 12 days earlier, Rostenkowski himself made a deal on behalf of the health-care bill, albeit at a heavy price. In an effort to secure the votes of conservative members who resist the Clinton plan, he made a pact with the Health Insurance Association of America, a potent opponent of Clinton's plan. Rostenkowski promised to soften a provision to outlaw discriminatory insurance premiums charged to sick and elderly people, or those in hazardous jobs. For their part, insurance associations offered to support a provision compelling all TV commercials that feature a fictional middle-class couple named Harry and Louise criticizing the Clinton plan.

There were many other deals made during Rostenkowski's 20 years in Congress that both admirers and his critics in Washington top officials benefited of his attention in Chicago may now wish that he had never commented. According to the accusations against him, he arranged with a House post office employee who used his job to introduce Rostenkowski to draw cash expenses in stamp purchases that finally added up to "at least \$50,000." (Members of Congress, like 66th in Canada, may spend official mail free of charge; Rostenkowski has said in the past that he needed stamps for overseas mailings.) He said, "I caused Congress to pay over \$70,000 for personal expenses used by himself and his family." Holder said in his indictment statement, "And at an overall cost to the government of hundreds of thousands of dollars, Rostenkowski 'regularly put people in his congressional payroll who did little or no official work, but who utilized performed personal services for him, his family, his family insurance businesses and his campaign organization.'"

At home in north Chicago on the night he won the nomination in March, Rostenkowski greeted his supporters as people who realize that "government in Washington can work and must work." To those who voted against him, he said: "You must understand that politics is not a profession that rewards party or perfection. It is about compromise and compromise means that I have lost. The critics say that I'm not perfect and they're right. I've made mistakes. I hope I've learned from them and will do better in the future than I've done in the past." Whether the big man from Chicago has a chance to make good on that promise may be decided in a court case sometime this fall. But the odds are against him. His home town voters in November, Rostenkowski is an old-time politician, usually devoted to the craft, who clearly does so far from his political and his personal lives. But in the cynical 1990s, the allegations against him put the American political system on its edge that it must try to do better than it has in the past. □



Clinton Rostenkowski (opposite) wiffing the name of U.S. politician

Clinton's informal outside—including the President's campaign announcement that "It's long past time to clean up Washington."

Immediately, Rostenkowski's denunciation down the table on the 30-member says and even conservative interrupts his efforts to push Clinton's health-care insurance reform into law and makes question marks over personal deals closed by Rostenkowski to advance the legislation. Leadership of the health-care campaign now falls to senators

to the overtimes a new chairman, Florida Democrat Sen. Gilliam, 74, who has had a brittle relationship with Rostenkowski and other House leaders. In the past, he has ad-

vised approval of NAFTA by a healthy 236-to-205 vote. In return, Clinton expressed his gratitude with a timely loan: when Rostenkowski faced unexpected opposition in seeking his home district's nomination in March to run again for reelection in the fall. Clinton, breaking a tradition whereby the President shows no favor among competing candidates of his own party, traveled to north Chicago to stand with Rostenkowski and praise him publicly. Two weeks later, the chairman defeated two Democratic rivals in a primary election.

After that, Rostenkowski turned his full attention to getting a reliable health-care package onto the floor of the full House. His last up the premiere even during the destruction of his closest intellect. Lawyers on the

Letter from Chiapas

Down and out in Mexico

Poverty stalks a southern state

Helmed soldiers in camouflage fatigues patrol the streets of Ocosingo, a market town in southern Mexico. Indian women in multicolored blouses sell snails in conical purple shells, and red chiles, green jalapeños, golden mushrooms and other fruits and vegetables from blankets spread in the dirt. Military trucks rattle down the dusty streets carrying troops, weapons at the ready. Buses idle along at their own pace. The market building's roof has been destroyed by grenades, its facade pockmarked by rifle fire. A teacher tests the edge of a newly sharpened knife while uninvited men stand and sit at the open air and his dog sniffs coquettishly under the table. "Everything is normal," says Santos, who will only give his first name. Shortly, a sergeant with a worn smile and an enigmatic rifle offers Santos reassurance: "Everything is calm," he says. "Everything is normal."

This is Chiapas, a state of pine-forested highlands, tropical rain forest and a fertile coastal plain of coffee and banana plantations that lies against Mexico's southern border with Guatemala. Last January, a brief period of rebellion by the Zapatista National Liberation Army, led by the masked figure of Subcomandante Marcos, put the state firmly on the map. At the same time, Chiapas fell off the edge of the earth. In the face of the fighting and the uneasy calm that followed, tourists who were once attracted by the colonial charm of San Cristóbal de las Casas, Mayan ruins and timeless white Indian villages decided that Chiapas was the better part of nowhere—and stayed home. An ex-Cali heroin addict put it in a recent magazine on a computer bulletin board, the *CompuServe* Travel forum: "I would not wonder into Chiapas at this time, nor would I wander into East L.A. in the evening without a tank."

Bill English is an American expatriate in San Cristóbal who, with a Mexican partner, runs a combined coffee shop and language school called El Pájar. The operation caters to tourists, and business is down about 70 per cent, he says. Since shops that rely on the tourist trade have closed entirely, and many others have laid off staff, English says he is paid to be silent about that tourism has dropped precipitously. Says Gabriela Guadalupe Guad, an official of the state tourism office in San Cristóbal: "Because of the things that happened at the beginning of this year that everybody knows, I think the tourists don't come because they are scared."

Of course, the possibility of violence does not keep everyone away. It attracts some, like Juliette Ben and her friend and fellow Montreuil, France, Dardhad, both in their 30s. According to Ben, the reasons are simple: "Journalists, a taste and revolution." Pursuing a story on Chiapas for their media work at the University of Montreal, they have im-



Indian girl selling black-and-red rebel dolls: Zapatistas chic

elled to San Cristóbal's 15th-century cathedral to interview Father Pablo Ibarra, an intense Roman Catholic priest who is a leading advocate for the poor and downtrodden of Chiapas.

At El Pájar, English says the rebellion will eventually bring at least one masterpiece of the fighting date away. The Zapatistas, named for a hero of the Mexican revolution, have captured the imagination of Mexicans and non-Mexicans alike. Nobel laureate and author Carlos Fuentes called the uprising "the first post-Communist rebellion in Latin America" because of its demand for democratic reforms. Zapatista chic is everywhere in San Cristóbal. On the street, Indian women sell Zapatista dolls—a clever bit of marketing because they are the same dolls in black costume that they sold before the insurrection but with the addition of a mask and a stick for a gun. There are also T-shirts and gym socks with the masked face of Subcomandante Marcos and, as the ultimate compliment to one of Mexico's newest sex symbols, condoms with his face on the left. One of the women, who requested anonymity, said she would willingly follow the rebel leader into the jungle at any time to do his revolutionary bidding.

San Cristóbal, a city of about 70,000 in the Chiapas highlands, declares a permanent community of expatriates, mostly Americans. English, a native of Santa Rosa, Calif., moved to the region in 1993 because he wanted to change his life, shops a good enough reason to go anywhere. It was earlier time, the linguists would have been happy and he'd be feared for Nepal, but today, English says, most foreigners go into business at some point. There is, though, a lingering sense of counter-revolution in San Cristóbal, tinged with political enlightenment. El Pájar, for instance, shares its space with an Indian Women's Weavers Cooperative, Maya K'opoms, English says, sympathizes with the Zapatistas.

The city, founded several years after the completion of the Spanish conquest in 1521,

is on the Maya route, a local point of location with a culture that used the wheel for religious artifacts but not for work or transport, that mapped out the baroque, built great cities and pyramids and then mysteriously died about 1,000 years ago. The low-income Maya site in Chiapas is 140 km north of San Cristóbal at Palaseque. Further south, along the border with Guatemala, are two other sites, Yucubatan and Rosamel. They can be reached by air charter, by a river called the Usumacinta or, more advantageously, by truck or four-wheeled vehicle along a dirt track that disappears in a road.

Even by Mexican standards, Chiapas is poor: the per capita gross domestic product is about half the national rate of \$2,800 and every year hundreds of children die from diseases or other ailments that would be considered rudimentary by any Canadian parent. About a third of the state's 3.2 million inhabitants are illiterate, and some 40 per cent of the Indian cannot speak Spanish. As part of its modernization drive, the Mexican government has levied money on the northern state, with federal spending increasing more than tenfold between 1980 and 1992. But not all the money has managed to get where it was supposed to go. The Mexican government has been trying to end rampant corruption, but not always successfully. A glaring example of the failure is the new airport 20 km outside the provincial capital at Tuxtla Gutiérrez. By a break of geography, the airport can be fogged in even on days when, in town, there is barely a cloud at the sky. The facility was built, residents grumble, on land bought from a half-rakish state official.

The poverty is most extreme outside the major centers. In Indian communities some-
 way from the state, where corn is grown on

steep hillside plots, along the verges of roadsides or on crowded lands known as *quiles*. Farming practices have changed little over the centuries, and the small parcel of burning corn stubble left in the straw from this old crop is reduced to ash fertilizer for the new. On the highways and back roads, the few private Indian trucks are filled to overflowing, crisscrossed out with people and packages and bags of tobacco to be sold in the city markets. Small vans operate in one-way truck stop in the middle of nowhere in lat-pulling oil. On fast, they lead into the latest carrying their burdens—women with cardboard boxes to their chests, men with lanterns on their backs.

On the track to the Indian village of Altavista, far into the Chiapan highlands, an old man was bent nearly double carrying firewood in a sack, held on his back by a leather strap across his weathered forehead. Struggling to communicate in Spanish, he expressed confusion about the political turmoil that had overtaken Chiapas. "Why would they bother us?" he asked. "We are poor people, we are not rich."

While the Zapatistas obviously had a following in Chiapas, such expressions of apportion are not uncommon further up the road in Altavista, where untamed personal civility shows the route with barriers, the local authorities have been converted into a refuge center sheltering about 250 people who left their communities because of the fighting, or the fear of fighting. They wanted to give up arms, but we were not prepared to lose the Mexican army," said Carmelito Velasco Gómez. "We were not prepared to die." Velasco made the right-hand walk from the gate of Santa with his family of eight in early February. Afraid to go home, they have remained there ever since.

Despite the military checkpoints and the omnipresent presence of soldiers with guns, there is no great sense of personal peril in Chiapas. Paradoxically, the two things most at risk are the Indian's way of life and the power of the land barons, who for centuries have dominated politics and the economy. The imposition of free trade with Canada and the United States, and the Zapatista uprising, will hasten the end of both. The government plans to set up community-owned textile mills in the villages to take advantage of the North American Free Trade Agreement. Governmental subsidies mostly disappear, thus "leaving us in the lurch." The governor of Chiapas, and the former governor, were both sacked. Two advocates for the Indian, the Father Benito say change must come, jobs must be found in the cities, in industry, for people who cannot be supported on the land. "We don't want to leave the village," said Father posing for the tourists," he says of the Indians. When the change comes, it will be a less colorful Chiapas, a place with fewer ties to a rich past. But it will also be a place where children do not die so easily from diarrhea. The loss would not be mourned.

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World NOTES

NORTH WINS NOMINATION

Oliver North, the former U.S. Marine Corps lieutenant colonel who played a central role in the Iran-contra scandal, won his fight to become the Republican Party's Senate nominee in Virginia this fall. North, who has the backing of many right-wing groups, defeated James Miller, a former federal budget director. Earlier, the state's senior Republican, Senator John Warner, said that he would consider leaving the party if North won the nomination.

HELP FOR RWANDA

As peacekeepers in war-torn Rwanda, led by Canadian Maj.-Gen. Romeo Dallaire, halted evacuations of trapped civilians after a rebel mortar blast killed a Rwandan officer. Amid reports of continuing ethnic slaughter—as many as 500,000 people have been killed since early April—Canada announced tentative plans to send 300 communications specialists to Rwanda as part of a 5,000-member peacekeeping contingent proposed by the United Nations. Meanwhile, in Zimbabwe's capital of Harare, the leaders at a summit of 14 African states also agreed to deploy an unspecified number of troops to try to halt the carnage in Rwanda.

RETURN TO THE FOLD

Newly democratic South Africa rejoined the British Commonwealth after an absence of 30 years. The country's then-41-year-old government left the 50-nation organization voluntarily in 1961 after being criticized for its racial policies. In a sign of welcome, Prime Minister Jean Chretien invited South African President Nelson Mandela to attend August's Commonwealth Games in Victoria.

ARAFAT AILING

Doctors prescribed bed rest for Palestinian Liberation Organization Chairman Yassir Arafat after he complained of chest pains following a meeting with three U.S. congressmen in Tunis. Arafat, 54, was twice briefly admitted to the military hospital in Tunis last month, apparently suffering from exhaustion and other ailments. In 1985, he underwent surgery to remove a blood clot in the brain caused by a plane crash in the Libyan desert the year before.

BACK TO THE LEFT

After four years of declining living standards under conservative rule, Hungarian voters returned ex-Communist reformers to power. The Hungarian Socialist Party won 320 seats in the 345-seat parliament. Its chairman, Gyula Horvath, is widely expected to be named prime minister.



FUNERAL MARCH: Mourners in Beirut carry the coffin of Hizbollah guerrilla killed during an Israeli air raid on a training camp in Lebanon's eastern Bekaa Valley. At least 86 guerrillas were killed and 70 wounded in the Israeli attack, the bloodiest single raid in seven years. Pro-Iranian Shiite Muslim guerrillas fired salvos of Katyusha rockets into northern Israel after the air raid, delaying some Israeli warnings of harsh retaliation.

War crimes

The charges are atrocious and sweeping. Since war erupted in Bosnia-Herzegovina in 1992, Bosnian Serbs have committed "crimes against humanity" and "genocide" and may also be responsible for "a systematic rape policy" against Muslims and Croat women. That is the conclusion of a UN commission set up to collect evidence of war crimes in the former Yugoslavia.

In its study of "ethnic cleansing," the two-member commission accused the Serbs of "acts of violence" carried out with "extreme brutality and savagery in a manner designed to instill terror in the civilian population in order to cause them to flee and never return." In its study of rape, the commission concluded that "the largest number of reported victims have been Bosnian Muslims and the largest numbers of alleged perpetrators have been Bosnian Serbs." Investigations are under way in 30,000 women may have been raped during the war.

The commission handed its findings to a special UN tribunal set up in The Hague last

year to try war criminals. But the evidence, while overwhelming, is unlikely to lead to swift convictions. The UN Security Council has not yet chosen a top prosecutor to amass the evidence or prepare indictments. And the tribunal has no authority to compel the accused to appear before it.

Estranged bedfellows

The world's ingenuities are limitless as delinquent politicians and "aggressive" vicious nations turn their suffering into cash. Britain's latest coup followed the publication of *Damned by former Communist Serbs*, a memoir designed to seal terror in the civilian population in order to cause them to flee and never return." In its study of rape, the commission concluded that "the largest number of reported victims have been Bosnian Muslims and the largest numbers of alleged perpetrators have been Bosnian Serbs." Investigations are under way in 30,000 women may have been raped during the war.

A royal memorial

Not since the days of the Second World War had so much Canadiana clout been displayed in Britain. Prime ministers of the Royal Family, including Queen Elizabeth II and the Queen Mother—who paraded across the street from Buckingham Palace—were in central London's Green Park for the unveiling of a monument to the one million Canadians who fought in the world war. The day of the dedication ceremony was typically English: wind, rain, a hint of sunshine, then sun again. But the (Shawnee) memorial is distinctly Canadian: streams of water cascading down two blocks of red granite, across an impression of charred maple leaves. And as construction was speeded by two expatriate Canadians: lead mason Gary Weston, master of Britain's 18th-largest stonemason and newspaper hawker Oswald Black. The two men shook the



British and Canadian corporate money trees to cover the cost of the monument. As well, they won the Queen's approval to place the memorial in a royal park, and even cooed Diana, Princess of Wales, out of her seclusion for the unveiling. But the affair was short on pomp and long on remembrance. "Those dark days of war forged a most precious link between Canada and Britain," said the Queen, paying tribute to the 110,000 Canadians killed in action. "It will never be broken."



Prince Andrew, Duke of Edinburgh, the Queen Mother, Diana: forging a precious link



Richards (left), Jagger: check out Hanger B

Stones on a roll

Scheduled to launch a world tour at Washington's RFK Stadium on Aug. 1, the Rolling Stones will roll into Toronto this week with the sort of secrecy that surrounded the killed revenues of Europe. Inaudibly ahead, he endless rehearsals for the Washington spring. The only advance word on the RFK appearance was supplied by Mick Jagger at a May 3 news conference in New York City. Said Mick, not too happily: "It's going to be a big show." In Toronto, Jagger, Keith Richards, Charlie Watts, Ron Wood, bassist Darryl Jones and keyboardist Chuck Leavell will all wear in different places. Insiders say the rehearsal will be at the airport in Hanger B, "Hanger B," and one "I'm told it's behind Hanger A and in front of Hanger C." Got it.

Life in the fast lane

For the family and for the team, introduction was a long time coming. First of all, there had been a crash in Australia, another in Phoenix, Ariz., and a third in Long Beach, Calif., when he hit a fire barrier. But last month at the Indianapolis 500, it finally all came together for Irvine. Quoted by Jacques Villeneuve, the 25-year-old son of the late great Formula One racer, Gilles Villeneuve. Already the fastest rookie Indy qualifier ever at 228.259 m.p.h., Jacques topped his Ford-powered Reynard belted winner Al Unser Jr., and finished second—the first rookie to finish that high since Roberto



Villeneuve: 'It feels fantastic'

Garcera in 1984. Afterward, Villeneuve said: "It feels fantastic, it's something that I never dreamed of—being on the podium." Other than that, he added, "I would be very happy to see his face if he was here."

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TAKING CHARGE

The new CEO of Seagram defends his controversial stake in Time Warner

After he added chief executive officer to his title of president of The Seagram Co. last last week, Edgar Bronfman Jr. did not seem to be remembered that he is the third generation of his family to run the multinational liquor company. Bronfman is all too aware that family fortunes often begin to fade after the demise of the founder. By the third generation, after decades of luxury and excess, many family-run businesses devolve into misfortune or worse. But Seagram founder Sam Bronfman's grandson—who has a family that is so rich that he spent half a million of his father's dollars making his first movie at the age of 16 and has had his own table at New York City's most famous restaurant since he was 19—wants to be an exception to the rule. In an interview after Seagram's annual meeting in Montreal last week, the 39-year-old Bronfman turned philosophical. His grandfather, he noted, used to quote an old idiom often heard at wealthy gatherings: "Shareholders to shareholders in three generations"—shareholders ceasing the working class. Sam would say: "Not in my family. God bless it." Young Bronfman has a photograph in his office of Sam-as-shareholder, pointing over his shoulder and pointing soldiers. "Every morning I look at that picture of Papa and I remember that remark," he said.

In fact, the Bronfman family, which directly owns 36.4 per cent of Seagram, has so far defied the downward pull of rich men's greed. Bronfman's father, Edgar Sr., chairman and CEO of Seagram since Sam died in 1971, headed over the CEO office in his son's last days before his 80th birthday on June 30. At the annual meeting, Edgar Sr.'s brother, Charles, co-chairman of the company, noted that \$2,000 invested in Seagram shares at the time Edgar Sr. took over 33 years ago would be worth \$23,000 now. Said Edgar Sr.: "Charles and I are very proud of the fact that not only did we not destroy the fortune my father created, we increased it quite substantially."

Edgar Sr. achieved that strong performance at Seagram mainly by acquiring a 26-per-cent stake in E. I. du Pont de Nemours and Co., of Wilmington, Del., a multinational chemical company. Seagram acquired the du Pont stake in exchange for \$1.7 billion (U.S.) worth of Common stock shares that it accumulated in a bid that led to take over the oil company. Seagram's du Pont stake is currently worth about \$20 billion. Now, Edgar Jr. is following in his father's footsteps: over the past year, he has spent \$2 billion to buy a 14.9 per cent stake in Time Warner Inc., a diversified entertainment and consumer electronics company. It is an almost fully supported by Edgar Sr. "I believe that in the

not-so-distant future it is inevitable that we're going to have to go to a hard-work way," he said. "Maurice had to work 'til the only way we'd be able to get employment was that that going to be good for the entertainment business and for the whiskey and beverage business." As for turning the company over to his son, he said his blue eyes watered. "I know he's the right person and I'm very proud."

Despite that, last paternal sentiment, the Time Warner investment is a controversial one. Some industry analysts say that Seagram

paid so much for its stake in heavily indebted Time Warner that it will be years before the investment begins to pay off. Others wonder whether Bronfman will try to use control of the \$25-billion company, which owns cable television companies, movie companies a top movie studio and a collection of magazines. Edward Arnold, an investment analyst with Dillon Read and Co. Inc. in New York, said: "Edgar Bronfman is a book-end investment in the party." But he added, "Of course, it's a big gamble. No one knows yet what the consumers are going to want and what they'll be willing to pay for it."

Bronfman used the shareholders' meeting—held at a club in Paris—to be brief in Montreal because that is where the company was founded, even though both Bronfman and his father are now U.S. citizens and work at Seagram's headquarters in New York—to address the uncertainty about Seagram's intentions. He said the meeting: "In my view, those concerns [about Time Warner] though extremely without foundation, have significantly depressed our share price."

Bronfman denied the possibility of a "Seagram" brand takeover. "We are not," he declared emphatically, "going to go beyond 14.99 per cent." Following Bronfman's comments, Seagram's shares climbed \$1 to \$26½, still slightly under the share's 52-week high.

Bronfman's background in the entertainment business has lent weight to the speculation that Seagram may take a role at Time Warner. As a young man, he chose to work in the movie business rather than go into family life sciences as his father, including three for Whopper Inc., a snack that Donor Warner founded. And he has produced three movies, including *The Godfather*, starring Jack Nicholson, in 1980 when he was 35. While he was in high school, Bronfman also produced a movie called *The Shogun*, set in Poland during the Second World War. Describing that career in a recent interview at the New Yorker magazine, the young Bronfman even once chose to display a flash of humor when he said: "It was dark and it was depressing. And absolutely no one wanted to see a movie that took place under ground with seven men slowly starving to death."

But Bronfman said that his early filmmaking had nothing to do with the Time Warner investment. In fact, Seagram's connections to the entertainment industry go back to Edgar Sr.'s interest nearly 30 years ago when he bought a 15-per-cent stake in the movie studio Metro-Goldwyn-Mayer. Although

he soon lost the stake when MGM was taken over by Kirk Kirkman in 1963, Edgar Sr., like his son, died some tough cinematic decisions about the movie that he never made. "My father walked into my office," recalls Edgar Sr., chuckling, "and he said: 'Why are we buying all this MGM stock?' I talked about the movie stage and the value of film libraries and the fact that television was making a lot of money. No, that's not what I mean. I want to know if we're buying all this stock so that you can meet some women?" And I said: "Father, nobody has to spend \$56 million to get laid."

Although critics suggest that the Time Warner investment is merely a bid to be spoiled rich kid to double or more money, Bronfman is weathering the storm with grace. He points out that movies represent only about 12 per cent of Time Warner's business. "To suggest that Seagram wants to get into the film business and then buy into a company where the film business represents just 12 per cent of the company doesn't seem very logical," he said. "I'd people want to treat me as a rich kid dilettante. It's my privilege. I'm just going to point. Hence, in my record over time."

In the meantime, Bronfman says that Seagram will remain a "passive" investor of all its operations. "The goal will be to lower costs and improve operations. He denies that majority investors are required because of the 42 billion that the company has spent buying Time Warner shares. He said: "I'd want to be the best-managed beverage company in the world we have to keep improving. Pepsi. Coke or so." The restructuring is likely to include layoffs among the company's 15,000 employees around the world. "There aren't too many other kinds of costs," said Bronfman, adding: "Costs will be eliminated. Costs will be eliminated and there will be many that there will be some layoffs." Since 1984, when Bronfman began running Seagram's U.S. operations, he said that the company's American workforce has been reduced by 25 per cent, as the company sold off many of its noncore brands. Bronfman says that he is prepared to cut more jobs if necessary. "It is a very difficult thing to do," he said. "I've done it before."

In fact, Bronfman said—in his beautiful and well-told, Clarissa, a Winona-bella all business with a degree in industrial relations, looked in his home to enjoy the company of Seagram more than almost anything. "First, it's personally extremely fulfilling. It's managing and I think I'm most proud of it," he said. "And recently, there's a tremendous pride in our family in the company. It is both a responsibility and a privilege to be able to maintain that connection between the company and the family." He says that he has absolutely no desire to make another movie. "I did that," he said. "I agree to other things once I've been given a greater opportunity." It seems that Sam Bronfman's dynasty may be able to stand strong for at least one more generation.

BYRON D. DUGAN/IN Montreal



Edgar Jr. with wife Charlotte: facing a challenge

THE HOUSE OF SEAGRAM

Bronfman family holds own 36.4 per cent of The Seagram Co. Ltd. shares. Seagram owns 24 per cent of E. I. du Pont de Nemours and Co. and 14.99 per cent of Time Warner Inc.

Total sales: \$6 billion (revenues in U.S. dollars)
Total profit: \$550 million*

Seagram Beverage Operations	De Pont	Time Warner
Profit: \$350 million	Total sales: \$28 billion	Total sales: \$14 billion
Products: Charismatic drinks	Seagram's share of profit: \$150 million	Seagram's share of profit: \$5 million
Manufacturers:	Products: Tobacco, liquor, vodka, perfumes, cosmetics	Business: Warner Bros. films, video, Atlantic records, Time, N. Comics
Mason champagne		
Tropicana orange juice		

*figures under charges

Business NOTES

Prince buys a Kingdom

A Saudi prince with a reputation for costly reinventing has announced plans to put as much as \$675 million into Wild Disney Co.'s troubled Magic Kingdom theme park, 35 km outside Epcot, Fla. Wild's bin Taha, chairman of the United Arab Emirates' Etihad, said that he will buy about 24 per cent of a new \$1.8-billion share issue from Euro Disney. The issue is part of the company's program to restructure its \$556 million bank debt. In a statement Wild said, "I believe the long-term prospects for Euro Disney are bright. The quality of what has been constructed at Euro Disney has made me optimistic about the future."



Prince Chairman, Wild's bin Taha

recent past has been difficult. The Magic Kingdom opened with great fanfare in April, 1992, but it has not attracted the number of European visitors that it required to carry its debt load. The investment park lost \$1.3 billion last year. Wild, the 35-year-old nephew of King Fahd, was also a white knight for City Corp., involving about \$1 billion in the troubled bank in 1991. CityCorp was under financial pressure because of falling real estate loans at the time. He has since sold a large portion of those shares for about 25% times what he originally paid for them in the market. Euro Disney hopes that Prince Wild's involvement will new European buyers to buy stock.

that foreigners hold about 36 per cent of the debt load last year. The downgrade, which can affect the cost of borrowing, applies to only about two per cent of about \$2.5 billion of the federal government's debt—the debt issued to currency rather than Canadian dollars.

Derivative disclosure

Canada banks have pulled back the veil a little more, providing more detailed information about their controversial derivative investment portfolios. Derivatives are complicated financial products whose risk is derived from underlying securities such as stocks, bonds, currencies and commodities. In recent months, public concern has grown around the world that the major international banks' large derivative portfolios increase the risk to the global financial system. Canada's four largest banks have derivative contracts worth about \$2.3 trillion on their books. However, last week, Citicredit's two largest banks, the Royal Bank of Canada and the Canadian Imperial Bank of Commerce, released information estimating that as the result of a worst case scenario the two banks would be exposed to a loss of no more than \$10.6 billion in the event of a default.

SHOPPING MALL SPREE

Two Ontario pension funds are in a real estate shopping spree. Last week, the Cullen-Horseshoe Board bought two retail malls from Trizec Corp. of Calgary and a 50-per-cent share of four others from Trizec Canada Ltd. of Toronto. Cullen-Horseshoe will manage all six centres while Trizec continues to restructure its debt. The Ontario Treasury Pension Fund bought a half-interest in three regional shopping malls of developer Cullen-Fleming Corp. of Toronto for \$30 million.

KICKING INTO HIGHER GEAR

Shrugging off the impact of a sharp upturn in interest rates, the economy grew by 0.5 per cent in March, outpacing the 0.1-per-cent increase in January and February. Statistics Canada said that the initial impact of the interest-rate jolt, which was triggered by a 0.75 percentage-point increase in the Bank of Canada rate on March 30, was confined largely to the financial-services sector.

CROSSED WIRES

A federal industry department paper, obtained under the Access to Information Act, advocates scrapping regulations that prevent telephone companies from delivering telephone signals into homes. But the paper also recommends that telephone companies be barred from taking over cable TV lines for the next five to 10 years—enough time to give household cable systems across the country time to link up and become competitors on the information highway.

A COLA OFFENSIVE

Hot on the heels of a spawny deluge in Britain, Citi Corp., the fast-growing Toronto soft-drink producer, is going to be in the firing line and against its competitors in the United States. Citi, which makes President's Choice brand soft drinks in Canada and other private label brands, has grabbed roughly one-third of the British soft-drink market since a supermarket chain started selling its Citi in April. The company is now close to an agreement with a British supermarket chain, and Citi purchased two bottling plants in Missouri for a total of \$20 million.

ATOMIC ENERGY CUTS STAFF

Green-owned Atomic Energy of Canada Ltd., which manufactures the caesium-137 reactor, announced plans to cut 600 jobs, about 16 per cent of its workforce, by the end of 1995. The announcement comes a week after company officials said that they have a good chance of selling seven reactors to China.

THE NATION'S BUSINESS



Lucien Bouchard and his politics of fraud

BY PETER C. NEWMAN

Cought up in his own verbal confusion, Lucien Bouchard reportedly said in an oil-rich recent meeting of businessmen recently that if Quebec separates, the United States might annex Canada's western provinces and that a break-up of Canada would serve U.S. interests. He later denied having made the comments, though his Quebec's Chamber of Commerce leaders say they clearly heard it. Then, he tried to close the clouds of misapprehension by demanding rhetorically, "Am I crazy? Am I crazy? Do I look crazy? I would be crazy to suggest the Americans would invade British Columbia."

Well, yes. For one thing, Louis L'Amour might have trouble taking time out from sipping caliche at the local Starbucks outlet, the thought-cranks of Lucien Bouchard and, therefore, at British Columbia. You capture Starbuck, you get the best leader in North America.

The absurdity of that scenario is underscored by a series of Angus Reid surveys done over the years which have consistently shown that fewer than five per cent of British Columbians want to join the United States. However, the American media has used to all available British Columbian—they own all of its profitable parts now, except, of course, those owned by millionaires like Hong Kong's Bill, the Bouchard cabinet drew attention to the emotional thinking that colors the separatist view of the nation.

Bouchard generally fails to understand why some Quebecers actually might view him as a traitor. He is after all, loyal to his view of history. "Traitor?" he said Peter (David) the Vancouver Star. "Traitor is what? My country is Quebec."

Massimo Bouchard and Jacques Parizeau, the leader of the provincial Parti Quebecois, are anything but crazy. They are intelligent and sane individuals for their cause, but they are also true believers and some of their revolutionary ideas are strictly future facts.

The separatist leader is like those old-fashioned politicians who advocated virginity and motherhood at the same time

There have tactical and strategic error in to believe that Canadian outside Quebec will accept the splitting of their country with most equanimity. It's not going to happen. In this modern age, you don't need too many people at the barricades to make the point to the world (especially the international community) that Quebec's future as an independent state will not be financed by a Canada degree of its history north and south ocean-to-ocean geography. Canadians love their country as much as Bouchard and Parizeau love their would-be republic; as independence will not be achieved without a home-made treaty between the two nations—the most likely victims of the transition—at least in terms of lower-level standards—will be the citizens of Quebec, imagining that sovereignty will resolve the very economic problems it instead make much worse.

In his many speeches and interviews, Bouchard keeps stressing "Canada will have the same reason as Quebec for wanting the present rules relating to the free market, tax at people, goods, services and capital. Good news will prevail during these decades. Already holding a quarter of the Canadian money supply, a sovereign Quebec

will support the maintenance of a monetary union as an important pillar of economic stability."

That's dressing as a technician. It is nothing less than political fraud for Bouchard and Parizeau to pretend, as they do, that if Quebec separates it can keep everything it has now, plus gain the benefits of political independence.

During a news conference last week, Parizeau reiterated his curious position of coming out simultaneously for the revolution and the status quo. Both he and Bouchard remind me of those old-fashioned politicians who were too stupid to follow virginity and motherhood at the same time. "Let's keep things as they are," the PQ leader snarled through his microphone. "As soon as Quebec becomes sovereign, I don't want lost economic and commercial relations with the United States."

While Parizeau insisted that Quebec would retain the Canadian dollar as its currency (to maintain the economic status quo between Quebec and Canada?), he went on to suggest that such potentially controversial issues in the event of the national debt (and presumably the place of Canada's future within a newly independent Quebec) should be left until "after the political situation has calmed." In other words, Quebec will demand to independence from a naive Canada, led by a spinless Ottawa that is supposed to sit back idly regarding a crisis that will be set over for discussion to some ill-defined future. I think not.

The last time separatism in Quebec became such a ugly issue was under the late René Lévesque, who demanded—and lost—the 1980 referendum on a hybrid form of independence he called sovereignty-in-associated. It signified anything seriously wanted it to mean, even in a country like Canada which once proudly billed itself by the acronymic title of "a self-governing colony." (The only business decision that first provincial referendum was an effort to make up compensation of the Auto-Union company which made as sense on paper or in reality—last tested for half a century, from 1967 to 1994.) The late Jacques Parizeau, a figure somewhat apart from the Senate by the time of his 1991 election, also told the Canadian Constitution from separate side, including his sponsor: he once described new sovereignty-in-associated as "a horse that won't stop, let alone run. You can no more negotiate sovereignty-in-associated than you can negotiate with nature, dry water, boiling air, or laboratory reality."

The substance of the argument hasn't changed. The Bouchard/Parizeau approach of concealing anyone who does question their methods or motives, because the two of them are on the "pure and beautiful" national side of the divide. The same old story: as to constitutional changes for 127 years—yet wanting to keep all the good things about their territory—makes no more sense now than it did a decade ago.

We're either as rabid as they. Period.

Debt rating pruned

The federal and provincial governments' growing debt load—and the fact that much of it is held by foreigners—were the main reasons for the downgrade of some Canadian government debt by Moody's Investors Services last week. New York City last week, Moody's cut the rating on the federal government's foreign currency bonds to A-1, from the top AA rating. Liberal MP Dennis Blais blamed the downgrade on Quebec. Said Mills, "When you have day after day, paper after paper, television after television talking about the fact that we're going to try and destroy or separate this country, that has an effect on investor confidence." But Bill Quatman MP from Labrador blamed the Liberals, saying that they are undermining the economy. "The real problem is the incapacity of this government to control the future of the deficit," he declared.

In a news release, Moody's said that even though Ottawa and some of the provinces are trying to restrain the growth of their debts, "it will be a long and difficult task." The total federal government debt is expected to hit \$550 billion by the end of this fiscal year. Moody's says

Risks and Rewards

★ ★ *How Canadian firms investing in China face political and commercial hurdles*

BY DEBORAH McMURDOY

The talking notes of Edmond and Silver Night waltz delicately through the crush of an early morning market outside the Wafang Store in Beijing. There, in a clearing amid the hordes of body producers and bright plastic shoes, dozens of Chinese couples are gracefully gliding through waltzes and foxtrots. Instead of the traditional mediator marriage dancing (in chi, many Chinese now prefer open-air ballroom dancing or even country-line dancing. That taste for Western culture is also on display on a typical weekday at the world's largest McDonald's restaurant. As the Cupidians can their syrupy Serenades hits over the sound system, the strolling patrons line up to have their photos taken with a plastic model of Ronald McDonald. And just outside the city, along the dusty, congested road that leads to the Great Wall and the sacred Valley of the Ming Tombs—now home to the remarkable, new Beijing International Golf Club—a gleaming red billboard proclaims: "A cruise over China is waiting for you."

The Middle Kingdom has come a long way since Communist leader Mao Tse-tung led a revolution that "liberated" the Chinese people in 1949. While his portrait still dominates Tiananmen Square and street vendors hawk comic Mao buttons and copies of his Little Red Book, China is now in the throes of another, very different, revolution. Although the country's human rights record—complete with accounts of torture, mass execution and political persecution—is frequently decried by such organizations as Amnesty International, foreign investors and governments were prepared to overlook those violations as long as China continues to loosen the shackles on its state-controlled economy. But now, despite the rapid pace of change and the proliferation of such reassuring Western slogans as Peking Hot, shopping malls and

the traditional mediator marriage dancing (in chi, many Chinese now prefer open-air ballroom dancing or even country-line dancing. That taste for Western culture is also on display on a typical weekday at the world's largest McDonald's restaurant. As the Cupidians can their syrupy Serenades hits over the sound system, the strolling patrons line up to have their photos taken with a plastic model of Ronald McDonald. And just outside the city, along the dusty, congested road that leads to the Great Wall and the sacred Valley of the Ming Tombs—now home to the remarkable, new Beijing International Golf Club—a gleaming red billboard proclaims: "A cruise over China is waiting for you."

The Middle Kingdom has come a long way since Communist leader Mao Tse-tung led a revolution that "liberated" the Chinese people in 1949. While his portrait still dominates Tiananmen Square and street vendors hawk comic Mao buttons



stirring passions, there are even concerns about how smoothly China's economic future will unfold. There is an emerging consensus that the easy leaps forward have now been made—and there could be some rough road ahead. "China can be rising but it's an irregular road line," says Richard Belcher, Canada's consul general in Shanghai.

On the surface, China has made all the right moves: bidding to host the 1996 Olympics and lobbying to join the General Agreement on Tariffs and Trade by the end of 1994. Such steps have been cheered heartily in the global village and rewarded with trading links, international development banks and a host of private investors. About 50 per cent of all direct foreign investment in 1992 was directed at China, including about \$5 billion annually from the United States.

Canada has also joined the waltzstep. Between 1970 and 1992, Canadian companies signed 381 investment contracts with China worth about \$1.1 billion, making Canada China's eighth-largest trading partner. Last week, Foreign Affairs Minister Andre Ducef declared that, despite the allegation of human rights activists, trade was Canada's top priority in dealings with China. That proclamation followed U.S. President Bill Clinton's decision on May 26 to renew China's favored nation trading status, after threatening to withdraw it because of human rights abuses. "All the sectors that are priorities in our economic plan are areas where Canada has strengths," notes Su Hua, director of American and Canadian affairs at China's ministry of foreign trade and economic cooperation. "You should do well here."

To ensure that, a number of Canadian politicians and executives are now plying for profits. At the federal government level, China has officially been signed up as a market that will allow Canada to expand and to broaden its trade relationships beyond interdependence with the United States. The Canadian International Development Agency (CIDA) spends about six per cent—or \$115 million—of its \$2 billion annual budget on projects in China. And in the past four months, Gov. Gen. Roméo Levesque, International Trade Minister Jean MacLaren, Agriculture Minister Ralph Goodale and Ontario Premier Bob Rae have all travelled there. Prime Minister Jean Chrétien is planning to make a state visit in the fall.

Shedding the politicians is a whole 'nother of senior Canadian executives. In the first two weeks in May, there were sightings by Allan Taylor, chairman of the Royal Bank of Canada, William Symon, chief executive officer of CP Ltd., and Michael Wilson, former international trade minister, now a consultant. And making the corporate participants in a trade mission to China in late March were American Barrick Resources Ltd., Bonabarrier Inc., Hudson's Bay Co. Ltd., 303Luzon, Trilogite Canada and Westcoast Energy.

Despite Canada's lavish burst of enthusiasm for China, it may have come on the cusp of some profound upheaval. On the political front, there is the possibility of a dramatic struggle for succession when Premier Deng Xiaoping, who turns 90 in



Young child playing in Tiananmen Square; ballroom dancing near Beijing's Worker's Stadium. Far left: eager to sample Western culture and products

August, crisis power. There are still deep splits within the Communist Party over the pace and the extent of the economic reforms that Deng launched in 1979.

There could also be a crackdown on personal and economic freedom if central government leaders feel that their control is threatened. Upset by unfavorable news coverage of China by the New World Service, Chinese officials reacted by attacking global media tycoon Rupert Murdoch and dropping it from his Star TV satellite channel, which is widely available in China. Last week, Chinese police ordered hotels in Beijing to turn off the international television news network CNN until June 6 because of programs relating to the fifth anniversary of the Tiananmen Square massacre. Five years ago, on June 4, 1989, government troops fired on about one million pro-democracy demonstrators who rallied at Tiananmen Square. As many as 5,000 rioters were killed as that brutal confrontation and several members of the international community imposed economic sanctions against China in protest. "It was a difficult period for China and the outside world," concludes Shi Hu, greatly perturbed on the edge of a henge, conventional seminar decorated with delicate blue daffodils. "We had political problems and the West had economic ones." But now, she says curtly, "it's time for both of us to get on and put that in the past."

Relations between China and the outside world have slowly cooled since the shock of 1989. In May, Canadian Airlines International Ltd. of Calgary received a direct flight to Beijing from Vancouver—which has been abruptly suspended after Tiananmen Square. Next year the airline plans to add a service between Beijing and Shanghai. But the re-establishment of ties between China and the rest of the world has also directly contributed to a host of new pressures.

For one, think the country's strong economic growth rate—about 13 per cent in 1992 and 1993—has fueled inflation and a trade deficit that hit \$1.6 billion in the first quarter of this year. In that same period, the industrial output of joint ventures and private businesses in China grew at an annualized rate of 90 per cent and, in most major centers in



AP/WIDE WORLD

China, inflation was about 25 per cent. As a result, the central government has imposed a more modest target of nine per cent growth for 1994, and it hopes to contain inflation to about 10 per cent.

"That overburdened economy, however, is already expiring other weaknesses in China's domestic stability. To win support for his ambitious agenda of economic reform, Deng withdrew the dominance of Communist Party hardliners in Beijing by creating and delegating extra-territorial authority to China's 30 provincial governments. But that dilution of central government control—and increasing tension between Beijing and the provinces—has become a serious problem now that tight economic discipline is required to keep the economy in check. Not only has Beijing steadily lost tax income to the provinces, but in 1993, when vice-premier Zhu Rongji attempted to rein in fiscal policy, his plan was thwarted by resistance from provincial leaders.

GOING HOME TO SHANGHAI

The course of Alex Wong's life has run closely parallel to China's turbulent history. When he was 10, Wong and his family fled Shanghai—and the Communist regime—for capitalist Hong Kong. But in 1980, after 34 years in the colony, Wong says that he began to feel uncertain about his future. In 1987, a well-known move from the Chinese family he decided that it was time to lead his wife and daughter to more secure lives as Canadian citizens. Settled in a new house in Richmond, B.C., Wong worked for a Hong Kong-based conglomerate, The Magneta Group, which had real estate and other investments in Canada. "I love Canada and the life there," said Wong. "My boss kept trying to lure me back to the Far East, but I always refused."

Finally, Wong got an offer that he says he couldn't refuse. Magneta had acquired control of Polytek Engineering, a controversial manufacturing company located in Shanghai that produces industrial boilers, machinery and other equipment in partnership with several local Chinese ventures. Wong was tapped to restructure and expand Polytek's operations—and that meant returning to live in Shanghai.



★ ★ ★
Wong: I love Canada and the life here. My boss kept trying to lure me back to the Far East but I always refused—and still China called.

change can be overwhelming. When he returned to China, says Wong, "I felt like I was standing in the middle of a highway with traffic whizzing past at top speed." He adds, "I was used to going up. But you're not sure just how."

In addition to financially restructuring Polytek, Wong plans to develop a sales and marketing arm that will sell such brand-name appliances as Whirlpool throughout China and will also broker deals between North American and Chinese companies. "Shanghai is like Hong Kong was 30 years ago—the vision and market is just taking off," he said.

Still, when his assignment at Polytek is completed, Wong says that he would like to return to British Columbia, where he still has a house, a grown daughter—and a set of golf clubs.



★ ★ ★
Chinese hawks at Tiananmen Square, where Mao Tse-tung's body is still on display (top left); McDonald's restaurant in Beijing (above); selling silk shirts at a five-cent stall in Shanghai (left); business the need for economic reform with the desire to control the pace and direction of any change.

China's high rate of inflation is especially dangerous because it exaggerates the problem of acute regional disparity. These may be loose terms on the country's special economic zones in the south and developed coastal areas such as the port city of Shanghai, but the real economic pressures—where 70 per cent of China's population still resides—are increasingly felt behind. "Such regional disparity can create economic and political instability," says Donald Brown, a professor of international finance at the University of Toronto.

The absence of a developed commercial banking structure—since all businesses are owned by the state and all workers are wage earners that there are no monetary policy levers to readily adjust credit or curb spending and borrowing. Instead, the government is forced to resort to such crude devices as commodity price controls to cool the surging economy. Those heavily indebted companies, furthermore, reverse much of the effort already made to liberalize Chinese markets and to allow supply and demand to set prices. Wing Mame, the general manager of the Royal Bank of Canada's Shanghai branch—and a former U.S. intelligence agent, who specialized in Far Eastern affairs during the Vietnam War—notes, "China has an economic history of fits and starts, control and decentral. There are bound to be sharp ups and downs as it struggles to keep a grip on its economic growth."

To some extent, the country's increasingly overburdened infrastructure provides some brake to that growth. In 1992, only about 60 per cent

of China's households were connected to electricity (compared with 85 per cent in Canada). Despite seven per cent annual growth in the power sector and heavy investment by private groups and such agencies as the Asian Development Bank, it has been unable to match the overall rate of growth. To keep pace with projected demand, China's electric power capacity must double by the year 2000. Similarly, the country's infrastructure—roads, trains, mass transit, sewage treatment and water flowlines—are stretched to the limit. Rural poverty is adding to that burden by driving peasants into the booming cities to look for work. In Shanghai, according to Hu Youshan, chief economist of the urban planning commission, the official population of 13 million cities not include "floating" population of three million people who substitute in short-term stays while they look for manual jobs or simply beg. In 1993, the city government cut \$1 billion to save pennies in its budget for infrastructure improvements. "Basically, the infrastructure has not been improved since 1949," says Belliveau, a New Brunswick native whose company has made heavy—and the candidate—a local point in Canada's corporate social circles. "They need absolutely everything."

More than ever before, China's ability to meet its changing needs has a direct impact on the global scene. Although the country has historically tried to remain remote from the rest of the world, China's current boom is the result of an unprecedented release upon—and acceptance of—foreign capital, technology and trade. The International Monetary Fund now ranks China as the world's third-largest economy, behind Japan and Germany. And with a population of 1.2 billion people—some 60% of the entire global population—China represents a tempting market for companies that have been competing to survive in more mature, developed economies. "The market is the everywhere else, so competition for contracts here is very intense," says Liu San, technical marketing director for Spar Aerospace in Beijing.

Still, a number of Canadian companies, including Noranda Telecom Ltd., Seagram Ltd., The Royal Bank of Canada and Borden & Wilson, which operates its international division from Cambridge, Ont., have already established the official presence, or relationship, in China through joint-venture projects. Because its capital is limited and its needs are huge, the Chinese government has developed a strategy of using such partnerships to expand its country's infrastructure to modernize its industrial base and to bring workers.

Joint venture agreements, however, tend to be complicated by the fact that China has no commercial legal code and few standardized accounting practices. Because all companies have been state-owned

for as long, basic accounting rules were developed for 13 specific sectors—and they do not incorporate such factors as profit and loss statements.

Now, through joint venture projects with international accounting firms Deloitte & Touche and Ernst & Young, the government is developing standards that correspond to those used around the world. Shao Wen, deputy director chief in the department of administration of accounting affairs at the ministry of finance, says "If we want to attract foreign capital to China, we realize the need for a change." Still, some believe more "There is a lot of uncertainty about when a cost accounting system is a contract. It is important for foreign firms to try and anticipate as much as possible before spending any money."

In addition, while foreign investors may assume that a joint venture automatically gives them preferred access to the burgeoning Chinese market, the Chinese are more anxious to ensure that production is efficient and therefore generates hard currency. Typically, they will demand that a certain, fixed percentage of all production—usually at least 50 per cent—is exported. And the wiring demand for such joint-venture deals gives Chinese officials a strong bargaining position. "The Chinese have become very picky customers," says Spier's Lee. "They've learned a lot from the bad deals they've dealt with and they're also leavened how to play their off-peak one another."

In fact, a number of Canadian companies are leaving hard lessons about the tough reality of global competition in China. One of the fiercest battlefields is in the telecommunications sector, where dozens of international giants—including Spar and Northern Telecom—are vying to supply China with modern equipment. At the end of 1992, China had 30 million telecommunications lines installed, and it plans to increase that to 100 million by 2000. That annual rate of growth is equal to the entire existing network of lines in Canada.

However, last January, Chinese officials in Beijing abruptly announced that by July they want to deal with only a handful of suppliers of network telecommunication equipment suppliers. Northern Telecom, at one of the contractors, all of which have spent hundreds of millions of dollars to enter the market, thus is fighting to stay in the fray. The third-largest supplier of switching equipment in China, Northern Telecom has been there since 1972—although it has introduced its focus on China is lately priority. Ken Bentley, managing director of Northern Telecom Ltd.'s telecommunication project, says the office out of a converted suite of rooms at the China Shougang Hotel level 26. "The rules are changing and you need to be a major player to stay in the game."

Staying in that game requires a strong will as well as deep pockets. Fuelled by massive investment, the country has gone through a real estate boom that has not only seen the rise of office space and Western-style accommodations, but also the construction of the country's largest office buildings that have been erected to house the steady influx of visiting executives as well as the growing expatriate population. Many "expats" reside in hotels for months until a relatively modern apartment becomes available.

In addition to the high premiums on housing and office space, a company must have the right connections to get after sales and other after-sales support installed to under a year. Working replacement parts or standard supplies—ask for a computer printer, for example—can become a huge ordeal. "Everything slows about three times longer to accomplish and you must accept that in China," says Norman Glick, a senior foreign company officer, now managing director of Transamerica China Ltd., an English service company. "It's very expensive to get established and you must accept that in China."

But however serious a company's commitment to the Chinese market may be, there are profound structural problems that neither goods or foreign technology can change. One of the most significant issues in how to contend with the bloated, inefficient and entrenched state companies that continue to dominate and distort the Chinese



Expatriates Norman and Jean Glick at a free market; worker at Babcock & Wilcox Beijing (below); market to find accommodations or office space.



economy. To date government leaders have largely skirted the structural problems posed by corruption that, as critics in the central economic plan of the state, have been obvious in the need to turn a profit or to compete. That mind eye is turned, in part, because these companies—many are directly responsible for the welfare of hundreds of millions of workers across China. "The concept of bankruptcy or the consequences for poor performance are alien to state companies," says Norman Glick, manager of Post-Marketing Research in Beijing. "They've always been covered by government in any way."

The domestic workforce also poses formidable challenges for foreign companies seeking a joint venture with a state-owned company. Traditionally, loyalty to the Communist Party and adherence to the party line have been rewarded more than competence and individual initiative. And because state-controlled companies produced goods for a planned economy, there was no incentive for workers to move beyond their currently defined functions, to take risks or to make decisions. Furthermore, the Cultural Revolution, when Mao Tse-tung persecuted millions of Chinese whose views were deemed to be counter-revolutionary, wiped out almost an entire generation of university-educated potential managers in the 1970s.

As the general manager of one of the first joint-venture projects be-

tween a Chinese company and a foreign one, David Lee, a dagger Singaporean with Babcock & Wilcox, first arrived in Beijing in 1985. The central government had avoided the company, which manufactures equipment for power generation plants, to join forces with state-owned Beijing Boiler Works. The company work unit consisted of 2,500 people who were accustomed to producing exactly 50 boilers a year for the state. When that assumption was dropped at the black industrial complex, which looks like a Soviet relic of the 1950s, the company's industry, there was nothing more for them to do, says Lee. To improve productivity and eventually turn a profit he had to dispense with the Communist notion that all workers are equal. He established 10 clearly defined levels of responsibility and initiated a graduated pay scale and performance bonuses. "We explained to them that we were going to set targets and measure their output," Lee says. "It caused quite a stir."

One of the biggest, toughest challenges is to overcome China's rigidly hierarchical culture, according to Lee. "There's a huge resistance to the thought of a manager telling an older worker what to do or how to do something," he notes. Another hurdle, he says, has been getting workers who have worked in Lencar Developed Countries in Latin America, Asia and Africa. But after some strategic counsel, Lencar has been able to attract workers who have worked in Lencar Developed Countries in Latin America, Asia and Africa. But after some strategic counsel, Lencar has been able to attract workers who have worked in Lencar Developed Countries in Latin America, Asia and Africa.

To help that next generation of managers to develop their management skills, a CIA program provides funding for professors from several Chinese business schools to teach at the Chinese universities. On a daily May morning on the campus of Peking University in Shanghai, a small group of adult students are attending a class given by Ying Yang, a professor of marketing strategy from the University of Windsor in Canada.

For the students, the complete translation of courses in Yang's class appear to be riveting—they gather in small classes, earnestly discuss their strategy. However, they are used to a Soviet system, with no tolerance in question periods. The class is so structured that students who attend business school part time and work as a manager at a local factory, make time to be nervous," Yang says. "Our teachers do not have any practical experience and it would be made to emphasize them with direct questions. They're probably better than they say." Still, he insists that it would prefer to work for a state-owned company rather than be an entrepreneur, when he graduates. "There are benefits and security in the state companies," Yang says. "And you can't borrow money to start up an enterprise company except because of the banking policy. Who knows what will change?"

While students like Yang struggle to bridge the growing gap between China's orthodox Communist past and its emerging quasi-capitalist future, it is not long a question of when—but of how fast—things will continue to change.

The global gamble

It seems like the beginning of a desperately easy job when Madonna is seen singing in a crowd of 250,000 people in a common? The answer is no job at all. Both the rock star and the market have clearly demonstrated a new way of reinventing and repackaging themselves for economic material gain. Madonna transformed herself from a suburban Boy Toy into a quasi-entertainment-industry. Emerging markets, mostly the defining of equal, are dynamic, underdeveloped and have taken off at fever—at least in part—because of relentless hype and overpromise.

Emerging markets were not always there. In 1980, the year that Mexico defied the odds and won the World Cup, it was the first time a global banking crisis, they went by the distinctly unimpressive acronym, LDCs. They represented the debt from a host of nations in Latin America, Asia and Africa. But after some strategic counsel, Lencar has been able to attract workers who have worked in Lencar Developed Countries in Latin America, Asia and Africa.

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In that endeavor, however, less in the world's eyes of the beholder: international investors agree to look on the latest trend. As investors crowded from the wreckage of the recession have an eye for the future, they are looking for the emerging markets. Their hands were only barely raised by the daunting prospect of 12.4 per cent annual growth in China, 9.5 per cent in Singapore and 7.5 per cent in Thailand. Trading in the debt of such emerging markets is quickly advanced from a niche market to a main event, the volume soaring from \$100 million in 1990 to about \$2 billion in 1993. Stock markets in such high-growth countries such as Brazil, India, Mexico and Russia are also being fueled by busy speculators for billions of dollars.

At the heart of this enthusiasm, the stars of billions of dollars in pension funds and mutual fund money banks to support that risk and reward, in fact and sympathy, go together. As the momentum gathered, a range of gleaming new



BY DESHAIRE MCMURDY

financial products suddenly appeared like mushrooms on a damp log, to improve and to tap into the boom. In the 1990s, a new day was dawning in Asia and Latin Amer-

ica, many investors crowded, and the 3-annual world was exploding from a new head of seven, by currencies and interest rates. The Emerging Market Investors Association was formed.

Then came 1994—hard. With not set of a well-showered plan, the Federal Reserve in Washington proved once again that there are, in fact, only three currencies that count—the U.S. dollar, the yen and the German mark. On Feb. 4, intent on containing economic growth and managing any signs of inflation, the Fed nudged U.S. interest rates higher for the first time in 10 years. The increase was a mere 0.25 per cent, it was enough to send heavy bond markets into a tailspin and to puncture the euphoria in emerging markets.

The recent meltdown in emerging markets was the best thing for them

That correction—and the chance for everyone involved to take a deep breath—was probably the best thing that could possibly have happened. There is no question that over the long-term, emerging markets offer strong potential gains. But the rapid internationalization, backed by billions of dollars in restless pension and mutual fund money, will distort and damage new markets by over-capitalizing them before they are ready and able to successfully rebound from the shock. The task that frequently follows sudden inflation, emerging markets need an element of stability and structure that they have not yet had the time or the resources to develop.

Accustomed to playing by their own rules as a last field of relative equity, new investors have to learn to leave quickly and not to impose unrealistic expectations on those still struggling to find their feet. In many of these economies, debt and equity markets are still very new and often highly volatile and market capitalism (it is not as dangerous as you think it is) and dangerous to overinvest them. And under the risk, they do not yet have the option of graceful retreat.

Losing their cool

Vancouverites have succumbed to Cup fever

As they came close enough to the Stanley Cup to kiss the champions last week, the 1.8 million people who inhabit Canada's Capital of Cool gave every sign of losing their pose completely. At Vancouver's trendy Shark Club, the most determined fans showed up two hours before the game, armed with the best possible view of the sports bar's 24 TV sets. It was a terrible predicament with 30 minutes left left before the Canucks faced off against the New York Rangers in Game 1 of the best-of-seven championship series last Tuesday, and downtown began turning citizens away from the already packed pub. No one was turned away, however, when 500 fans showed up at Vancouver's airport before dawn on Friday to welcome their team home for Games 3 and 4. In fact, throughout the week and all over town, Vancouver's normal air of detached sophistication was visibly dissolving into the overly become-thrusted screams of take-a-prisoners partisanship. As one fervent fan, accountant Stephen Bismarck, yelled over the balcony at the Shark's Club: "We want to see a war here. Blood and guts on the ice."

If spectators did not exactly witness a war as the Canucks split the first two games of the series in New York City, they certainly saw more and better hockey, far later in the year, than most of them had ever expected from the Canucks. After a largely lackluster season, the team seemed on the verge of falling in the opening round of the playoffs, but then Blanton Hockett Pavel Bure sparked the first of a stunning string of victories that systematically put away the Calgary Flames, the Dallas Stars and the Toronto Maple Leafs on the way to defeating the 16-year-old West Coast team in its second ever Stanley Cup final.

By last week, the early-season struggles were forgotten, as Vancouver fans revelled in their team's powerful performance. "CANUCKS RULE. MANGERS ORBOL," read one message, spelled out in letters seven feet high that lined the windows of a downtown office building. Riders on the 101 bus had only the number to inform its route: the pencil over the windshield that normally shows the bus's destination instead said "Go Canucks Go." From a crane at the building site of the Canucks' new arena, a banner

read: "Stanley Cup manager forget under construction." Observed Canucks supporter Michael Doyle: "There have been some waiting a long time for this. There's going to be jumping all the way through."

Some of it far from Vancouver. Eric van Rouse, a light-house keeper on remote Bonilla Island, 700 km northwest of Vancouver, acted as another sportsbook to relay game scores via VHF radio to his boat's fishermen at sea. "It's happening when the game is on," said van Rouse. "One vessel will call out and they all stand by."



Canucks supporters celebrating: You have been waiting a long time for this!

On Vancouver Island, anonymous locals joyfully roared and cheered, spelling out the invitation to "Travel B.C." in a giant display alongside the main highway into Victoria after visiting the historic road "Travel B.C." Vancouverites still wearing their jinks after watching the Canucks blow the Leafs out in five games, may be able to share Vancouver's excitement. And at least a few Albertans found themselves rooting for the Rangers—whose lineup is heavily stocked with former Edmonton Oilers, including one-time Mark Messier. But there was no snow here last week in Medicine Hat, the Alberta home town of Canadian Tyrone Linder and Murray Croen. 2,000 fans took a congratulatory bus that caught up to the

train in New York. In Vancouver, meanwhile, fans basking in the Canucks' championship series appearance seemed to relish the chance to defeat the nation's hockey honor against New York. "The Cup belongs in Canada, that's the bottom line," declared 39-year-old student Matt Anthony.

Never mind that the Rangers clearly outplayed the Canucks in both Game 1 and Game 2. Nor that a straw poll of sportswriters before the campaign even began established the more experienced New York side as the odds favorite to win the series. Vancouver is not a town given to such self-loathing. Larry Dixon, managing director of the Canucks' licensed souvenir outlet, had by last week already approved no fewer than eight different designs for T-shirts marking the Vancouver team's upset-unbeaten Stanley Cup victory. "I'll see it all in hours and hours," Dixon, 70, had that stuff out right at the game.

One Canucks fan convinced that he would soon be wearing a Stanley Cup champion T-shirt was Jennifer Carr. The 23-year-old estu-



Golden California owner of Shadok On Fishing Tackle with two very happy clients

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BOOKS

TV or not TV

A cult-show star tries to break out of the box

HUMAN AMUSEMENTS

By Wayne Johnston

(McClelland & Stewart, 207 pages, \$19.95)

A TV series creates a self-contained fictional world. Making characters experience conflict, crises, love and laughter, all within the confines of the electronic box. Fundamentally, the shows that are most culturally edgy end up making the strongest connection with people's lives—in a way comparable of *Desperate Housewives* will confirm. The *Twinkles* and for the show's metaphysical adventures was once produced as a Saturday Night Live sketch in which William Shatner (Capt. Kirk) told his fans to "get a life." In his fourth novel, Wayne Johnston portrays a child star of a cult TV show who tries to get a life. A comic yet oddly claustrophobic book, *Human Amusements* gives a glimpse view of an ex-circus 1960s Toronto family that almost gets swallowed up by the box.

The novel's narrator is Henry Pendergast, who makes his debut at age 7 in a children's show. Henry's mother, Audrey, writer, producer and stars in *Thompson Show*, and his unexpected success catapults her and Henry to stardom. Nevertheless, Henry's father, Peter, an unsuccessful novelist, craves a matching eye on the show and the hype engendering it.

As the talented narrator still grinds on over five years, a rift between Peter and Audrey becomes deeper. Peter—whose hilarious butted comments about modern culture provide a bit for his father's entertainment—seems unable to complete anything himself. When Audrey creates a second hit show for Henry, based on the real-life teenage inventor of TV, a mystery a husband following and the family becomes even more isolated.

Newfoundland native Johnston has a gift for comedy. But the story has an earned, late comic quality: the action involves only three characters. And the adolescent Henry never once expresses a longing for friendship or romance. The omniscient are consistent with the book's premise that TV shuts out, rather than reflects, the real world. But it sacrifices the reader's emotional link with the characters—a flaw that no good TV series would ignore.

DAVID THORNTON



The Front Page: broad humor

THEATRE

Cynics and sybarites

Attacking a deficit with first-rate drama

For 33 years, the Shaw Festival has been as much a part of summer at Niagara-on the Lake, Ont., as the flowering gardens of the castle old town. But this year, there are signs that the festival—a 30-minute drive south of Toronto—is blossoming less extravagantly than usual. The last batch of free hours it offered that used to level opening-night audiences are gone. The annual lunch for critics has become an afterthought. The problem is an \$800,000 deficit. After a long period of prosperity in the 1980s, the festival has suffered three bad seasons at the box office since 1990. (Ticket sales supply 73 per cent of the Shaw's \$3.1-million budget.) And while this spring sales are about eight per cent above 2003 levels, the festival is clearly proceeding with caution.

Nowhere is this more evident than in artistic director Christopher Newman's choice of plays for the new season, which opened recently with that personal favorite, George Bernard Shaw's *Arms and the Man*. By contrast, Newman dared to open the 1999 festival with a difficult but gripping version of *Sam Jones*. As well, most of the works being presented have in the summer, from the Victorian melodrama *Shattered Mahony*, by William Gillette (in J. Priestley's 1954 tale of a dual-loved actress, *Eden Hall*, feature authors or kinds of drama that have been successful draws in the past.

Yet if cynicism and shank are bywords at the festival this year, at least two of the season's work products are indicative that there has been no retreat from its commitment to first-rate drama. Director Jan Messex's version of *Arms and the Man* sports an edge of realism into what is often presented as a play about drinking comradery. He stresses the play's violent content—it is set in Bulgaria during that country's 1885 war against Serbia—by inserting a chase scene in which the Serbian soldier, Capt. Bluntschli (Simon Bradbury), is first seen scrambling around the stage pursued by searchlights and explosions. By the time he escapes by climbing into the bedroom of Helen Petrov (Elizabeth Brown), his career and existence are beyond question. Bluntschli, of course, is the prize catch-up for change in *Arms and the Man*. After being used by Russia from his parents, he proceeds to undermine the young woman's illusions about war and love. Later, the duelling statement spreads to Russia a major Serbian Serenade (Andrew Galloway). For any actor playing Bluntschli, the danger is that, as his treacherous common sense levels all before it, he will seem too confident and all-knowing. But Bradbury—a standout in an excellent cast—uses the robbery representa-

programmers such as *The Ambassadors*—where critical publications are the only—represent a disturbing new trend in American life should count. The *Front Page*, Cynicism is the order of the day. The air is perfectly thick with cynicism and verbal attacks—some of them directed against blacks and women.

Yet the play's hottest issue is constantly being reduced by misheard humor—and by the struggles of a few characters to rise to something better. As *The Front Page* opens, reporter Holly Johnson (Grant Tinker) is spilling his gin-and-willie off his boss, Walter Burns (Michael Ball), with a profane eloquence born of years of misadventure. Supported by a brilliant ensemble cast, Hughes is explosive: he jabs the audience like a caged prairie lion, just taking offense at the meanness around him. But whether he can or cannot do it, he means the central question of the play.

Compared with *The Front Page*, the vision of 1930s America offered in the Gordavio musical *Go Go Go!* can only be described as childish. The plot concerns a teenage young man (played by a 16-year-old) who scores include some sexual humor, including the only scene featuring Rhythm. The cast with this including bit of full with comicality. But, unfortunately, the same cannot be said for the festival's current production of the 1930s Dorothy L. Sayers mystery, *Dead Man's Hand*. Despite fine character work by some of the cast, the production seems hurried and rehearsed. And, as the play's supercilious detective hero, Lord Peter Wimsey, David Schramm sounds too much like an enthusiastic museum curator rather than a sleuth with the artistic sensibility of one of the best current offerings. The 1994 Shaw Festival would seem to have increased its chances of wiping out the war-time deficit.

JOHN HENRIK

A bang and a whimper

Two hostage dramas are worlds apart

As comforting as the cultural cliché, Americans are making extra-terrestrial visits who write their differences in words, while Canadians are quiet introverts who like nothing better than to take their trucks into a northern round of peaceful negotiations. It would be hard to find better examples of these stereotypes than *Speed* and *April One*. Both are hostage-taking dramas, but that is where the similarities end. *Speed*, starring Toronto-born Keanu Reeves, is a \$40-million Hollywood action movie about a city bus that is used to explode if it goes below 30 m p.h. (50 km/h). Delivering a non-stop adrenaline rush from its opening murder to its sensational climax, *Speed* is a first-rate thriller—the best since 1989's *Die Hard*. *April One* is a \$2.7-million movie based on the true story of an ex-convict who holds a diplomat hostage in Ottawa, only one shot is fired and no one gets hurt.

The comparison is perhaps unfair. *Speed* is a white-collar act example of Hollywood doing what it does best, and seems guaranteed to be one of the summer's biggest hits. *April One* is a modest psychological drama. Still, obviously successful yet oddly unappealing, it is one of those walkaway Canadian films that will bloom ever so briefly at the art house, never quite getting the attention it deserves. But the contrast between the two movies—which were both scripted by Canadians—is telling. It points to a choice that English-Canadian film-makers are constantly being: whether to go to Hollywood



Reeves is kidnapping an international push (from start to sensational finish)

or pursue their values on a much smaller scale in their own country.

Graham Yost, the 34-year-old writer at *Speed*, says that he always felt his destiny lay in Hollywood. He is the son of Elyse Yost, who is celebrating his 20th year as host of a movie show on the Ontario public network,

TVO. And then only childhood in Toronto, Graham learned to share his father's love for the screen. When he was 15, after sleeping in one morning, he showed up at class with a note from his father saying "Graham is late for school because I had him stay up and watch *Orson Kane*."

Elyse's attraction for Hollywood has seems to have rubbed off. "My dad brought me up to really admire simple, successful movies about human nature," adds Graham. "He would sit me stories from movies, and after times out of his when I saw the movie it wasn't as good as the story he told me." In the early 1960s, Graham remembers his father telling him about a script by Japanese director Akira Kurosawa about a train that would blow up if it slowed down. In fact, says Graham, "my dad had gotten it wrong"—there was no train in the movie track from the screenplay, *Seven Samurai* (1954). But the premise stuck in Graham's mind. Turning the track into a bus, he wrote *Speed*, his first feature script, and ended up selling it to 20th Century Fox for \$130,000.

The story focuses on a duel between a Los Angeles street cop named Jack (Reeves with a crew cut) and a mad bomber named Howard (a dastardly Dennis Hopper) who is looking for a \$10-million ransom. The action goes up through three suspense-packed sequences of people getting trapped in public enclosures. In the first—in a parking lot—Reeves on his own is worth the price of admission—the villain gets a crowded elevator to crash. The central episode involves the city bus, which seemed to blow up at it down—Jack escapes in a police car through Los Angeles traffic while a female passenger (Sandra Bullock) takes over the wheel from the injured driver. And the climactic sequence takes place on the city's new subway system.

Trust a Canadian to dream up a thriller set on public transit in Los Angeles, where many residents have never even been in a city bus. "People sort of laughed about the idea when they first heard it," says Yost. "A lot of people said, 'You made up the last about the subway,' and I'd have to tell them that L.A. actually has one now." Yost did not get a driver's license until he was 29. "I took the bus and subway every single day—my friends called me Mr. TTC (Toronto Transit Commission) because I live at the stations."

As an undergraduate at the University of Toronto, Yost shared classes with future film-maker Anne Egerton. They worked together on promotional films for the student union. And Yost acted in one of Egerton's plays. But while Egerton pursued his vision in Canada, Yost went south. In 1982, after graduating with a general BA, he took a summer film course at New York University. Staying in

New York City for another five years, he took various writing jobs, which included commissioning history books on the CIA and the KKK. Then, in 1987, he moved to Los Angeles, where he now lives with his wife, Connie, a homemaker, coffee house owner, and their 10-month-old daughter, Charlotte.

Hollywood is full of screenwriters emboldened by the experience of seeing their best work rewritten, but Yost says that his experience with *Speed* was relatively positive. In rewriting the script, he worked closely with first-time director Jan De Bont. De Bont is a cinematographer, the Dutch-born De Bont has shot such films as *The Hunt and River* and *Justice*. "When we were working on the script," says Yost, "we kept *Die Hard* in mind."



The Yosts: a love for the big screen

Die Hard, there is not a great deal of pure violence in *Speed*. The thrills are generated by twists, suspense and attention to detail. In fact, one change in the script that barred Yost was the addition of a grimy scene in the first five minutes of the film, in which Hopper's character visits a security guard in the car with a screwdriver. "I suspect I spent that," says the writer. "For me it's a slightly weird love for the film, although it does establish that this is a very tight but gay."

For a first project in Hollywood, *Speed* is a modest work on another script for Fox, a thriller about a lost nuclear weapon titled *The Avenger*. He is finishing a screen that elated his father. In the 1940s, they abandoned his ambitions to go to Hollywood and make

movies, choosing to stay in Toronto with his widowed mother. This week, Elyse, his wife, Lila, and Graham's younger brother, Christopher, plan to attend *April One's* premiere, at March Cinema. Thanks to Hollywood *Speed*—the star of the movie's first scene.

April One's writer-director, Murray Davies, has spent some time in Hollywood, on documentaries. But he was attracted to the Canada stories of the David Milne story. On April 19th, Day 1, an armed man with a gun and a bomb, Malyk held the Parliament roomed hostage in two Ottawa offices for 14 tense hours. His demands included the release of a former cell mate from Kingston Penitentiary, but he eventually surrendered without a fight.

Making his feature debut with *April One*, Davies, 32, remains baffled enough to the facts that he uses real names. But he seems most fascinated by the voice tones of the story. Malyk (Stephen Stritt) does not realize it is April 19th Day, the only time that he holds his hostage, June Briscoe (Dyane Senne), in a brief attempt to resist to some music in a chicken salad sandwich sent to her by the police, the hostage becomes protective towards her captor, and the drama's crucial conflict is between the local police, who are trying to negotiate, and the RCMP, who are busy surrounding the hostage scene with snipers and police explosives.

The movie's strong cast includes David Strathairn (Patricia Pratt), who steals the movie as mild-mannered police Chief Sgt. Don McCowan. A foreboding of his performance is mirrored by Davies' direction. His moving camera is slow and sedate, with the minimum of understated drama, in one scene, while police discuss strategy, their conversation is interrupted by a prolonged squaring as a colleague struggles to tear open the lid of a Styrofoam cooler cup.

April One is primarily Canadian—due to a widespread interest with the device, a balling out of demands and an inability to act. The movie's understated quality undermines the drama, but it is also what creates its charming appeal. Near the end of his story, Malyk says, "I don't want to die... but somebody has to." That certainly holds true in a Hollywood thriller. But real life, especially in Canada, is a much less exciting.

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Socks, sandals and the Costa del Sol

BY ALAN FOTHERINGHAM

There are people who like to travel, who are curious and eager to find new experiences, (or a geographic, different food, different customs). There are other people who pretend to travel, physically removing their bodies to another scene—but actually just wanting home with perhaps a little more sunshine.

And so we sit on the Costa del Sol, a little bit of Spain that has been turned into a large bit of England. Claps with everything and the Socks Brigade. It is a sight to behold, if you can stop from crying.

This is the demi-paradise that stretches from Málaga down to Gibraltar and the joining of spit for Tanger and Morocco. The combination of sea and sun has proved irresistible for the package tours that remove the Brits from the vibrant dump that per meates their lives.

What we have done is to transport England to Spain so Englishmen will think they're never left home, but just get a sun-bath. Take pubs. Gave us everything. One of the larger hotels advertisement: "Dogs welcome." That's the only way you can get an Englishman to travel: he has to bring his pet.

Beach towns called Torremolinos and Fuengirola and Crevillente have gone downgraded areas were, swallowed in a one-reading jacket force of giant hotel towers. When Portugal, following behind Spain is the tourist house, set about building accommodations, it took as an example of what not to do the dreadful life of the Costa del Sol, luxury poor mad.

In the early days of the English, when most of world athletes were colored pink, the firsts were famous for imposing their habits on the natives ahead. Cricket was established as lawn and polo and the West Indians, afternoon tea was mandatory and ice cream for dinner. An Englisher's life, as described by another man, but the Englishman remains. What the Spanish regard as a pull is filled with Manchester United flags, pushing the pots and cheering their lads while the beach sits empty. The restaurants outside are thick with the Londoned lads, they dream



and the latest nonsense about the Royals. On the beach, which looks as if it was imported from Blackpool, matches the Socks Brigade. Just as the early colonial masters were known for spots and manacles in the Punjab, the Englishman in Spain can be detected by his socks—more under manacles.

This is a national phenomenon that is unique in the world stage. The idea of sandals, one presented, was freedom, cool and unfettered. The Englishman on holiday would like to feel free and unarmoured—but wants the security of his socks. It's like Lenin with his blanket. Perhaps Dr Freud could explain it all.

The best way to experience Spain is to get away from the beach, which is no longer Spain but England. Roads sit high in the Sierra Nevada, a stomach churning climb through wet-bushes, no hair or is of doing—depending on your stomach choice.

It confirms the odds it holds in Spain. Hemingway said it was the world's most perfect spot for a honeymoon and if it didn't work there you should go back to Paris and start all over again. After climbing endlessly through mountain slopes, there suddenly appears a vast plain covered with rich wheat fields. It's like a flat table on top of the world. The rain in Spain falls mainly on the other side.

The scene is split, as if by a giant's cleaver, by a paying gorge, separating the Moorish remains of the populace from the Spanish successors. It is one of the most spectacular sights anywhere in townships.

The car, dodging the narrow tourist lanes filled by men wearing socks under their sandals, is the secret to Andalusian. There in Granada, where the Alhambra is one of the wonders of the world, the Moors in their day of dominance turned stone tapestries into bronze lace. The visitors gaze in wonderment, as they should, the artistry lies in soap cradles today.

There in Cordoba, air rounded by stone proves that stretch to the fountain, the city where Cervantes wrote and where the first teenage generation to grow up under democracy try to dress like punk rockers—and just miss.

There in Seville, with the third largest cathedral in existence, after Rome's St. Peter's and London's St. Paul's. The arched ceilings reach the sky and the air is swirling around visitors, it is astonishing for a spot at The Museum of the Open touring company.

Spain is a movable feast, an ideal to its dignity as Italy is more in its conscience. Spain is more enjoyable than France, in that you don't have to put up with the French. It has better food.

Don Geronimo, which isn't hard, the Germans not having the job of the Mexican runners, which each day shows into Spain's takes the index of the sea.

If you don't like the idea of the highlight, you can get a constant almost every day on television, such that most tourists replayed over and over like the winning wheel slot of Ford Blue, who the had been born in Spain would have been a highlight, since he has gone in his genes.

It is a land of incredible sun, more often than you can eat in a lifetime, tansons as rich as beetroot and so many old ladies who dress in black from top to toe in there are men who have never played a tennis that costated a cup.

The Spanish are quiet, honest, here is a fascinating history—and completely puzzled why Englishmen wear socks under their sandals.

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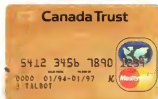
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